



Yamato's direction for EC Business about China



YAMATO HODLINGS CO., LTD.
Katsuhiko Umetsu



- 1. About Yamato Group**
- 2. Yamato's business scope in China**
- 3. New model of our business**
- 4. Our strength: Cold chain platform**



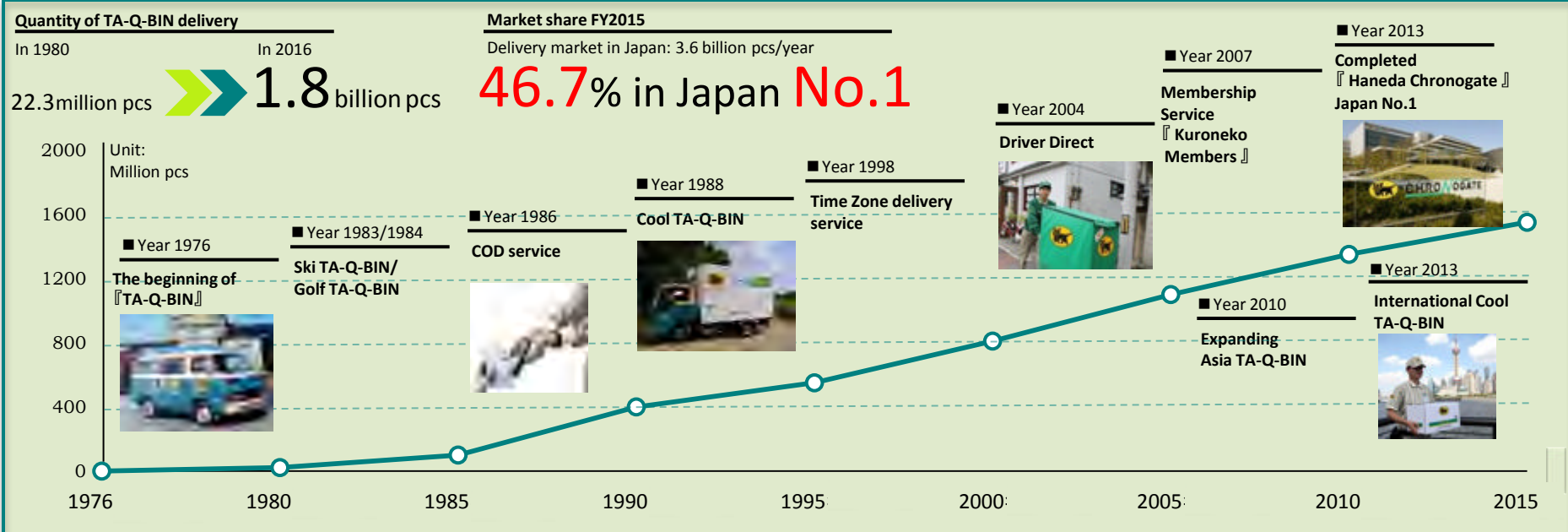
1-1. About Yamato Group

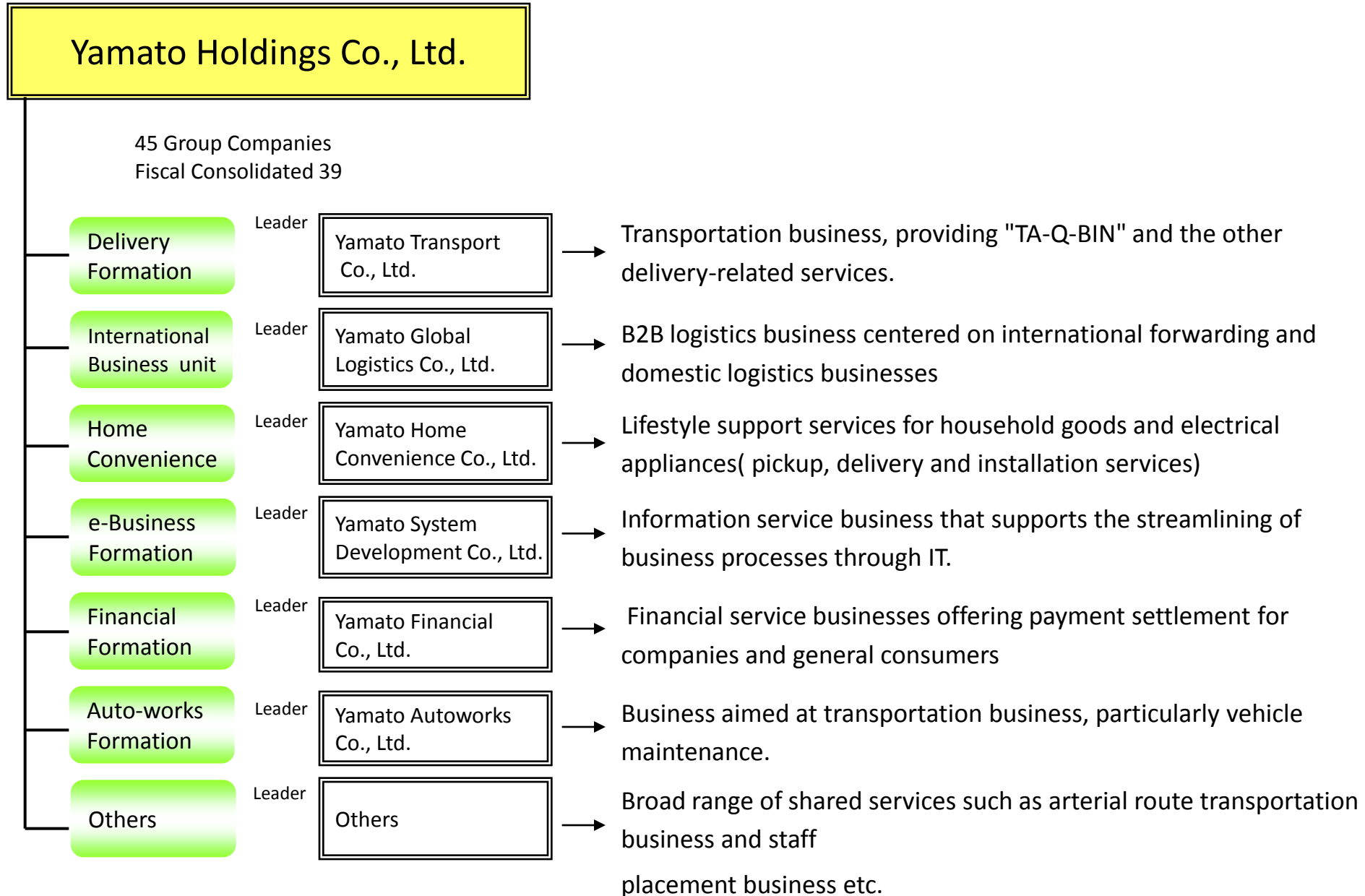
Yamato Holdings Co., Ltd.

※As of March 2016

Founded on	November 29, 1919 ※ 2005/11 Turned into a holding company & named Yamato Holdings
Number of employees	Group total - 197,056 person
Nature of Yamato Transport business	Transportation business, providing "TA-Q-BIN" and the other delivery-related services.
TA-Q-BIN network	6,893 TA-Q-BIN sales offices/ 245,000 affiliated agencies
Business revenue	Group total - 1.3967 trillion yen
Business profit	Group total – 68.9 billion yen
Consolidated subsidiaries	39 companies

Quantity of TA-Q-BIN Delivery & Development History of Services







1-3. Overview of TA-Q-BIN



TA-Q-BIN OVERSEAS

Network coverage rate



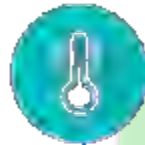
No. of sales drivers



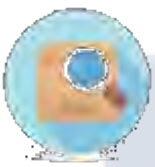
No. of affiliated agencies



No. of vehicles



Temperature selection
Normal, chilled, frozen



Parcel tracing
Yamato HP
Yamato APP, telephone etc



Time-zone selection
Morning, 12~14pm,
14~16pm, 16~18pm,
18~20pm, 20~21pm



Delivery & collection location
Home, general agents,
TA-Q-BIN sales offices,
convenient stores, lockers,
other specified locations



Change of collection location & time
Telephone (SD, call center)
Yamato HP, LINE, Yamato APP



Delivery complete notification



Operating 365 days;
next day delivery

Delivery schedule notification



Recipient



Delivery fare
Cash, e-money,
Kuroneko Members discount,
COD Collect (cash, e-money, credit card etc)

Japan No.1

Home delivery share 46.7%



2000
TA-Q-BIN license to President Transnet (Taiwan)



2006
Start International TA-Q-BIN



2010
Start TA-Q-BIN in "Singapore" & "Shanghai"



2011
Start TA-Q-BIN in "Hong Kong" & "Malaysia"



2013
Start International Cool TA-Q-BIN



2014-16
Set up the RHQ of South-East Asia in Singapore



2017
start Thailand business cooperate with SCC



JAPAN



※1 : As of March 2015 ※2 : As of January 2016 ※3: Certain areas are excluded



1-4. Yamato's Reputation in Japan

Yamato holds the No.1 position in terms of Customer Satisfaction

	Customer Satisfaction Score	Customer Expectation	Evaluation of Quality	Evaluation of Cost performance	Recommendation	Willing to use again
Yamato	77.2 No.1	78.1 No.1	78.1 No.1	71.7 No.1	64.0 No.1	73.0 No.1
Average of the Industry	70.2	67.3	66.5	67.7	57.7	63.1

Note : Evaluated 5 companies of Parcel Delivery Industry are SAGAWA, SEINO, JP, FUKUYAMA and YAMATO

The source : Japan Customer Satisfaction Index surveyed by Service Productivity & Innovation for Growth, announced on the 11th June, 2014.

/// Yamato stands the No.1 position for 7 years since JCSI started the survey in 2009. ///

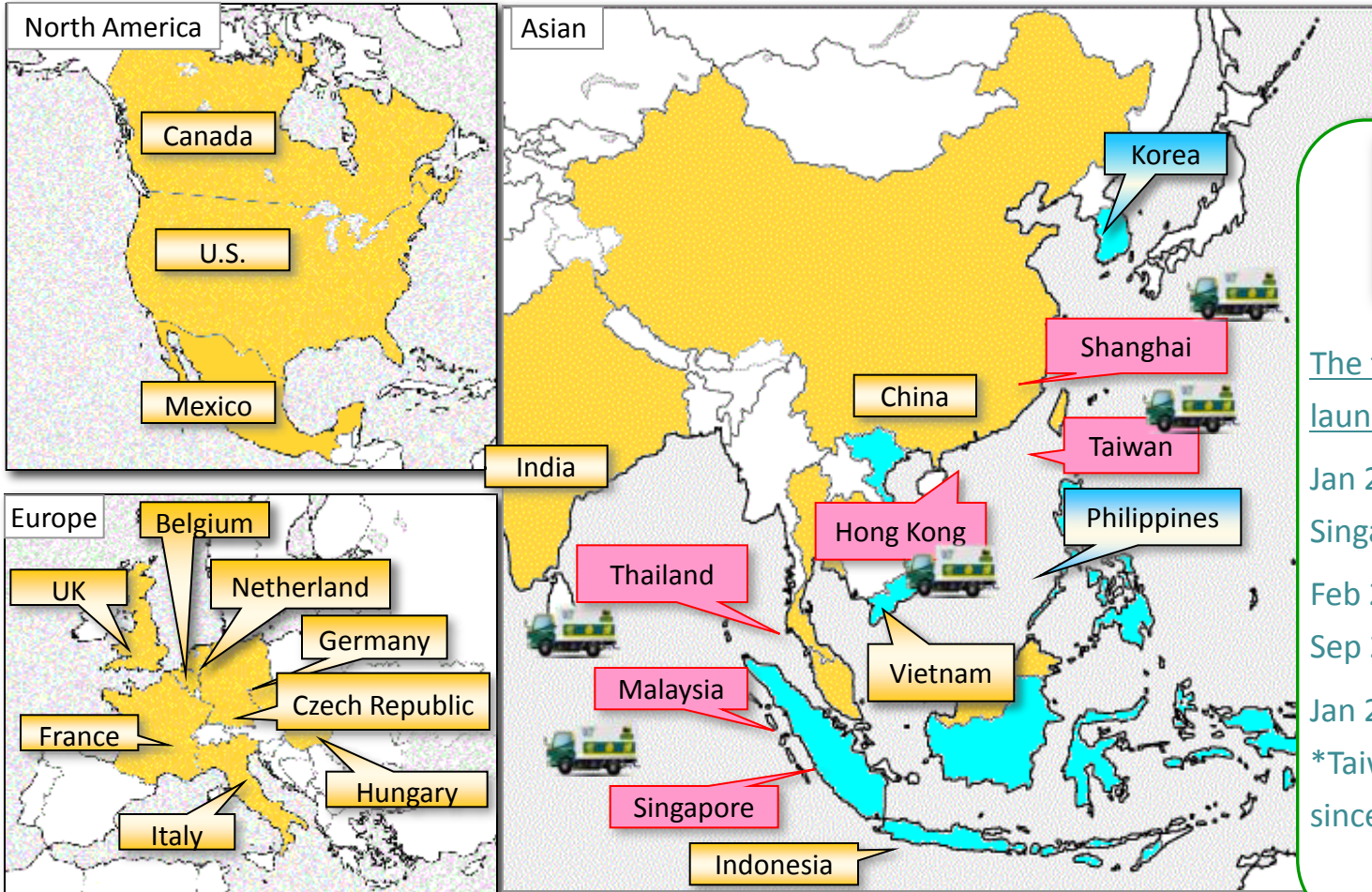

Nikkei Research 2016 Brand Ranking of Top 10 of 580 major corporate brands in Japan

Rank in 2016	Name of Corporation	Rank in 2015
1	Yamato Transport	4
2	Google	6
3	TOYOTA	7
4	Sony	5
5	Panasonic	2
6	Microsoft Japan	1
7	Apple Japan	2
8	Canon	10
9	TOTO	9
10	Casio	21



1-5. Yamato Group's Global Strategy

Yamato Group have overseas subsidiaries developed in 23 countries worldwide, and Ta-Q-Bin networks have been developed in 5 countries in Asian area.

The following country was launched in

- Jan 2010: Shanghai, Singapore
- Feb 2011: Hong Kong
- Sep 2011: Malaysia
- Jan 2017: Thailand

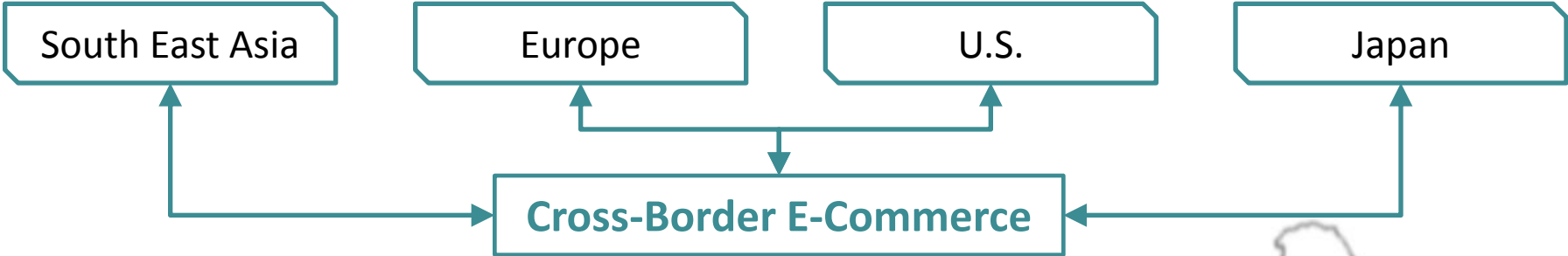
*Taiwan has launched since Oct 2000

Legend: Ta-Q-Bin Developed Region(including logistics) (pink), Subsidiary (yellow), Representative Office (cyan)



2. Yamato's business scope in China

Strengthen Cross-Border E-Commerce from Japan / other countries



Corporation with WTD

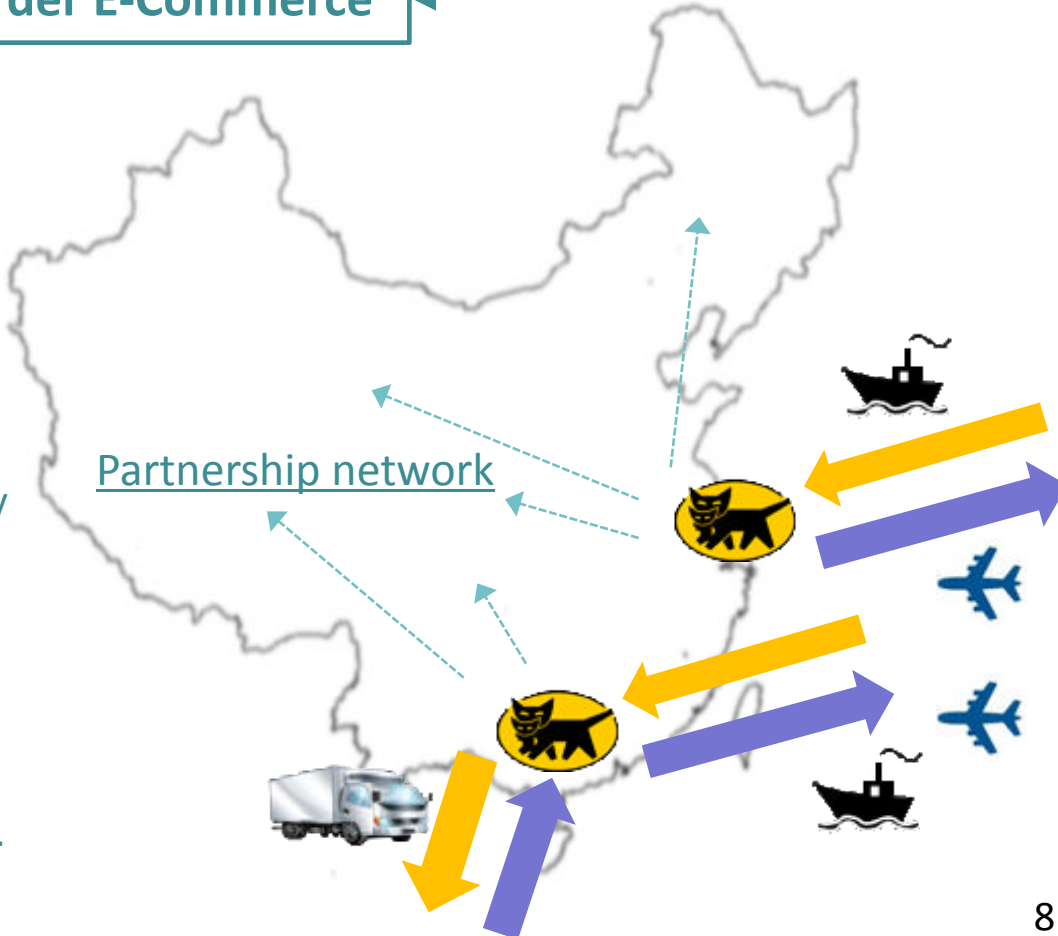
- To catch demand of cross-border E-Commerce from/to China, invested to WTD who has many experience in Guangzhou.

Establish Trading JVC

-To support Japanese supplier and Chinese buyer, establish trading Joint venture company in Shanghai with 4 company. One of them is SIPG.

Cross-border Trucking

-To catch logistics from/to ASEAN, will open a way from/to Vietnam using invested company.

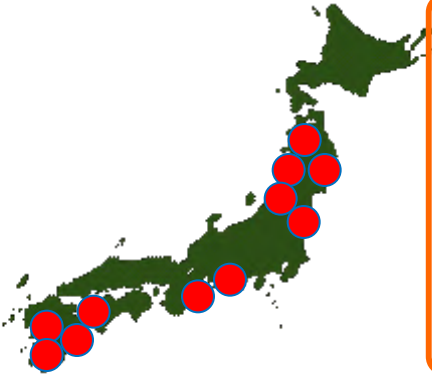




3-1. Our strength – Connection of local government in Japan

We sign collaboration agreement with local governments and construct comfortable Logistics network to match their request.

Cooperate with Local Autonomous Entity



2015.Feb Signed agreement
Ehime prefecture×YAMATO×ANA Cargo

2016.Mar Signed agreement
Akita prefecture×Yamato×ANA Cargo

2014.Jun Signed agreement
Aomori×Yamato

2014.Oct Signed agreement
Kumamoto prefecture×Higo bank×Yamato

2017.Mar Signed agreement
Shizuoka prefecture×Shizuoka bank×Yamato×ANA research institute

2017.Mar Signed agreement
Fukushima prefecture×Yamato×ANA research institute

2016.May Signed agreement
Iwate prefecture×Yamato

2017.Jan Signed agreement
Kagoshima prefecture× regional banks×Yamato

2015.Jul Signed agreement
Miyazaki prefecture×Miyazakibank×Yamato×ANA Cargo

2016.Jan Signed agreement
Mie prefecture × Yamato ×ANA Cargo

2016.Dec Signed agreement
Yamagata prefecture × Yamato ×ANA Research institute

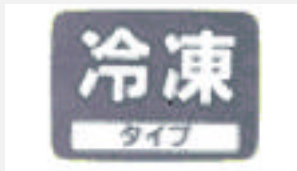


Temperature Control Door to Door Parcel Delivery Service

Proper temperature control maintained (ambient , chilled, and frozen) to insure quality, freshness, and taste for perishables during pick up and delivery.

■ Features of Cool TA-Q-BIN

- ① The two range temperature control systems ensured freshness taste are properly maintained. The chilled service keeps the temperature between 0-10 °C. The frozen service keeps the temperature at -15 °C or less;



◆ Frozen Service Sticker

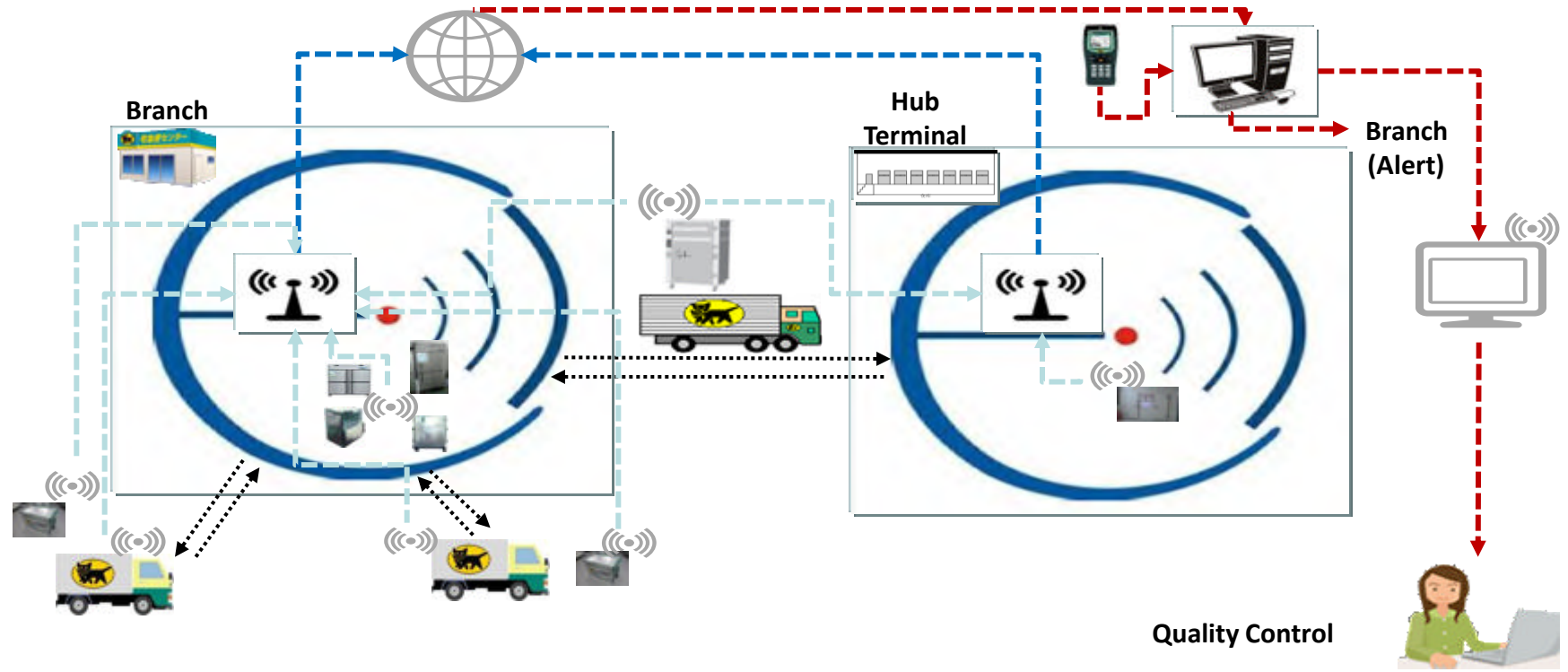
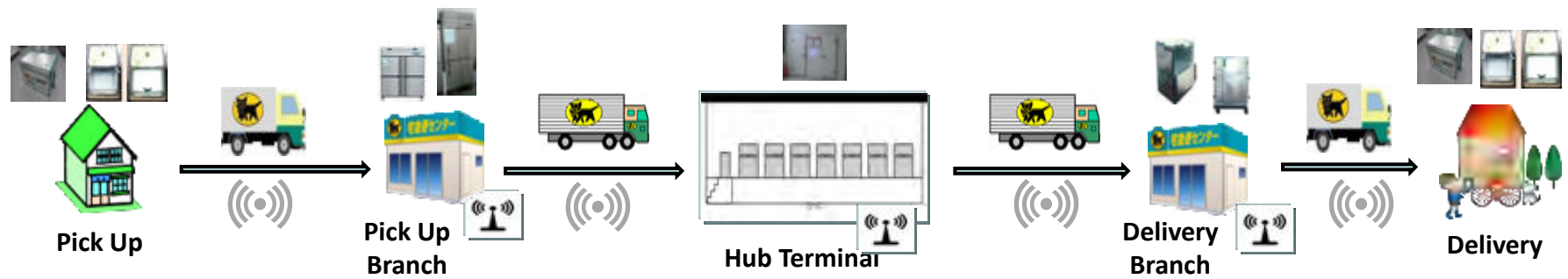


◆ Chilled Service Sticker

- ② At the event of recipient being absent, a parcel will be kept in advised temperature range, chilled or frozen, at refrigerated facility of TA-Q-BIN sales office until re-delivery;
- ③ “Time Zone Delivery” and “Cash on Delivery Service” are available;
- ④ Prior to be picked up by Sales Driver, a parcel must be pre-chilled or frozen.

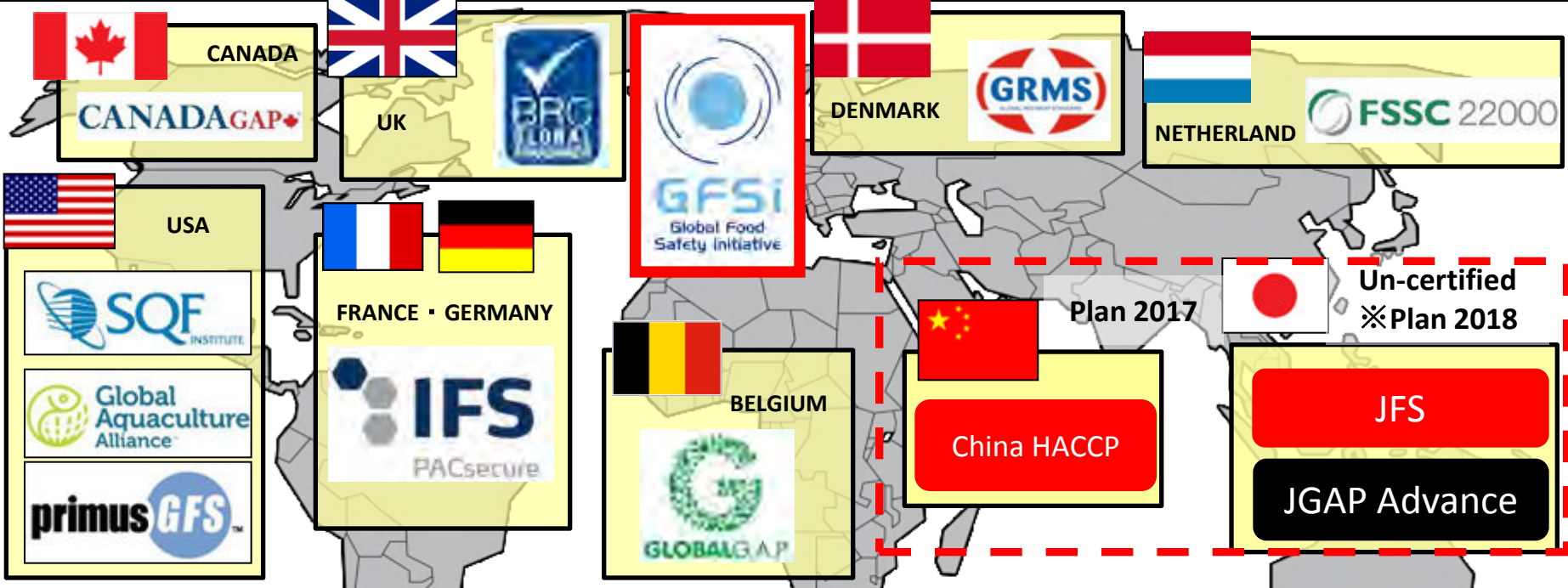


Automatic Temperature Control by Using Temperature Censer





4-1. GFSI Schemes and the Global Trends



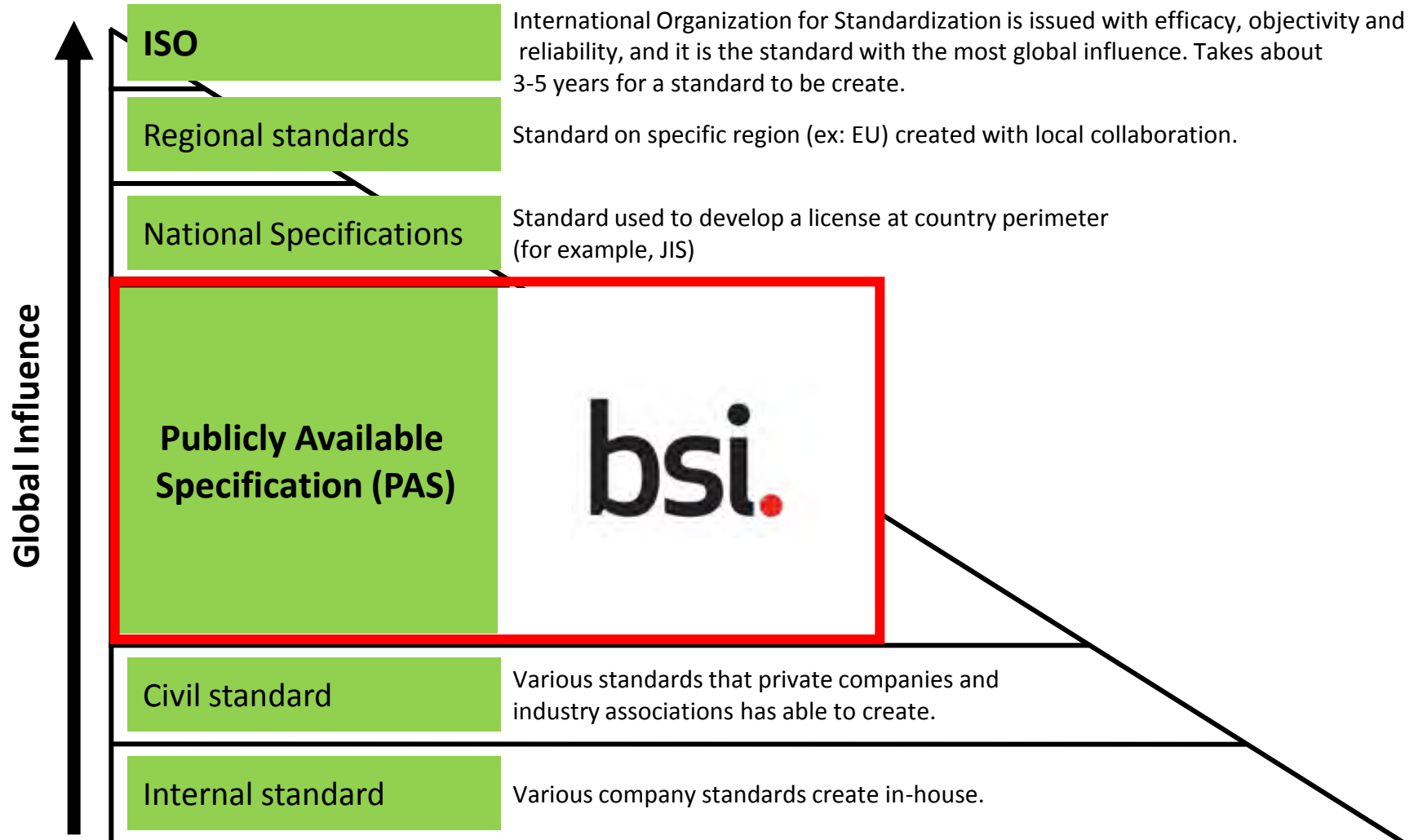
To stay current with the world trends, China and Japan governments develop their own food safety schemes. But they need private corporate power leading them to be GFSI's new recognized schemes.

4-2. List of international standards



With a view on ISO, "Publicly Available Specification (PAS)" is the first step for a global effect and is a reliable objective.

Indeed, its development is one of the fastest of all international standards.





Mixed transportation type, room temperature and cold storage on a single truck.
Operational standards for the temperature control transport services.

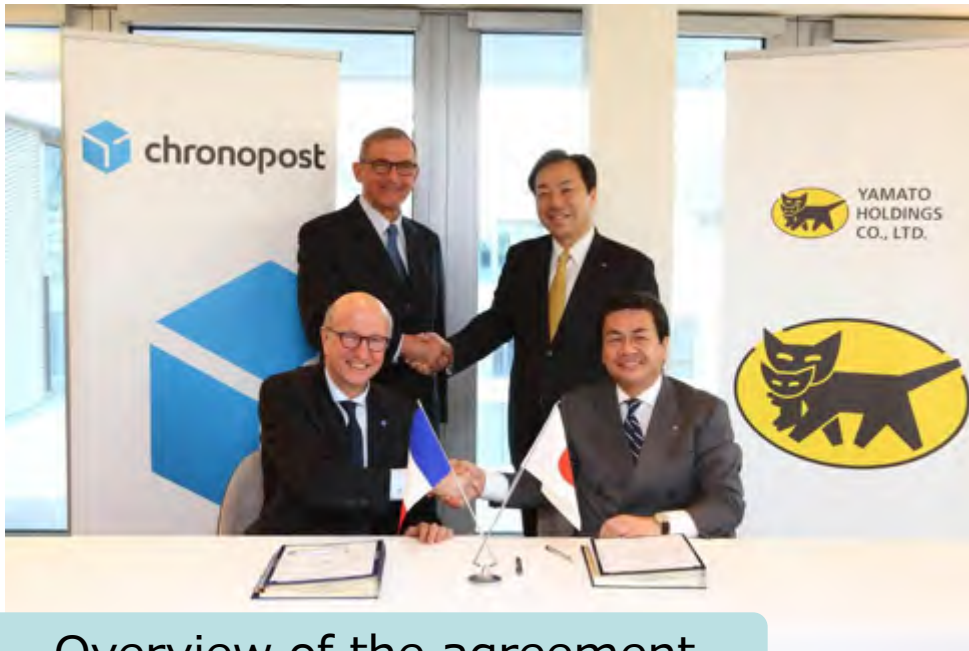
Temperature Controlled Transport Services

	Refrigerated vehicle type Supply with constant temperature vehicle and constant temperature equipment. High investment required	Room temperature and refrigerated vehicle type Cold fridges equipped in the vehicle inside the climate room.	Room temperature vehicle type Put in a separate container with a cold storage function, transported as cargo room temperature. Inefficient operations
Small transport (home delivery)	No – Need specific transport	<div style="border: 2px solid red; padding: 5px; display: inline-block;">Cool TA-Q-BIN</div>	Yes
Transportation service	Constant temperature		Cold BOX charter
Chartered transport	Truck delivery		Cold containers

Working process required to manage/secure the room temperature, and to keep the high quality of services.



Agreement Aiming to Expand the Cross-border Small Parcel Chilled and Frozen Transport Business between Japan and France and to Share Know-how in the Chilled and Frozen Transport.



Overview of the agreement

- (1) To promote cross-border chilled and frozen transport business between Japan and France
- (2) Sharing both companies' technology and know-how in chilled and frozen transport
- (3) Setting up new standards to enhance the quality of the chilled and frozen food transport

