

Yamato Holdings Co., Ltd.

Yamato Transport Co., Ltd.

March 3, 2015

**Announcement Regarding Launches of TA-Q-BIN Compact and NEKOPOSU:
Making Small Parcel Delivery in Japan More Convenient and Reasonable**

Yamato Holdings Co., Ltd. hereby announces that its subsidiary, Yamato Transport Co., Ltd., (Headquarters: Chuo-ku, Tokyo/Representative Director and President: Masaki Yamauchi, hereinafter, "Yamato Transport"), will launch two services that are ideal for deliveries of "small parcels" on April 1, 2015: "TA-Q-BIN Compact," an in-person delivery service, and "NEKOPOSU," a posting service.

1. Background

In recent years, the growing prevalence of devices such as smartphones has driven further expansion in internet mail-order services, flea market sites and others. In line with this, the number of customers making internet purchases of relatively low-cost, small-sized daily necessities such as cosmetics and health foods is increasing. This has led to growth in needs from mail-order businesses and other corporate customers for more reasonable methods of shipping "small parcels."

Furthermore, amid increasing diversification in the needs of those receiving parcels, there have been many demands from customers purchasing products to have such parcels delivered to their mailboxes. This reflects their desire to receive parcels with certainty at their preferred timing regardless of when they are at home or away from home. In addition, statistics have shown that approximately 80% of customers using flea market sites prefer to have their purchases delivered to their mailboxes. In view of these factors, Yamato Transport carried out studies into developing new services that meet delivery needs for "small parcels" and expanding the scope of parcel sizes it handles through TA-Q-BIN.

2. About TA-Q-BIN Compact

TA-Q-BIN Compact is a TA-Q-BIN service enabling simple deliveries of "small parcels" in dedicated boxes. It is available for use by all customers, regardless of whether they are corporate customers

or individuals.

This development marks the first expansion in the scope of parcel sizes handled through TA-Q-BIN in the 21 years since the six parcel sizes currently available (sizes 60-160) were established in 1994. Customers sending parcels smaller than size 60 now have a choice of more convenient parcel sizes.

This service offers pickup of parcels by Sales Drivers (hereinafter, "SDs") and parcel dispatches from our directly managed sales depots and from dealer stores. Furthermore, we plan to gradually start providing this service through convenience stores with the cooperation of various convenience store companies.

(1) Parcels can be sent in two types of dedicated boxes

Through this service, two types of dedicated boxes are available for use: dedicated boxes and dedicated thin boxes. The boxes are on sale at our directly managed sales depots and dealer stores throughout Japan, and customers ordering five boxes or more can have them delivered to their offices or homes. There are no weight limits for items put into dedicated boxes.

(2) TA-Q-BIN Compact fees

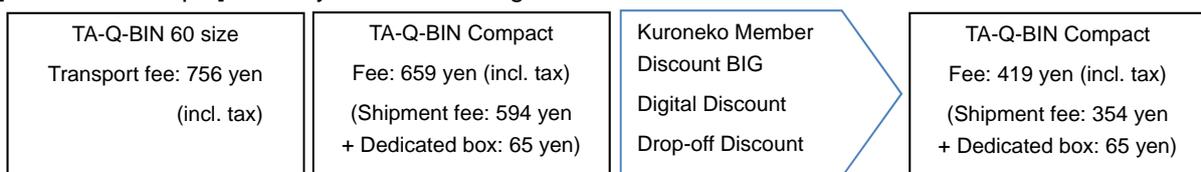
TA-Q-BIN Compact fees will be determined by region, as with TA-Q-BIN.

In the case of mail-order businesses and other corporate customers and various types of organizations, as well as individual business owners, fees are determined separately for each customer in accordance with factors such as shipment volume. In addition, it is possible to create original boxes for each customer in accordance with the specifications of the dedicated boxes. For the details, please enquire at the closest sales depots in charge.

For individual customers, we have prepared three discount services:

- (a) Kuroneko Member Discount (*): up to 15% off regular charge (when using Kuroneko Member Discount BIG)
- (b) Digital Discount: 50 yen off each item when using shipping labels printed with "Nekopit" terminals in sales depots
- (c) Drop-off Discount: 100 yen off each item if you drop-off your parcel at our directly managed sales depots or dealer stores

[Discount example] Delivery within same region



3. About NEKOPOSU

NEKOPOSU is a “small parcel” mailbox posting service offering more convenient receipt with TA-Q-BIN-level speedy shipment enabling next-day delivery and timely information provision at the time of delivery. Mail-order businesses and other corporate customers, various types of organizations and individual business owners can use this service upon entering into a contract with us.

(1) TA-Q-BIN-level next-day delivery and timely information provision at time of delivery

This service offers not only pickup of parcels by SDs and parcel dispatches from our directly managed sales depots, but also next-day delivery transportation speed. At the time of delivery, a “posting completion e-mail,” which has been unavailable in posting services hitherto, is sent to the parcel recipient via an e-mail address registered by the parcel sender. The service enhances convenience for parcel recipients in several ways, such as by enabling them to quickly check delivery status regardless of whether they are at home or away from home and allowing them to collect parcels in mailboxes at a time convenient for them.

(2) Nationwide uniform fee regardless of location from which a parcel is sent

NEKOPOSU has a nationwide uniform fee regardless of location from which a parcel is sent. Usage fees are determined separately for each customer in accordance with factors such as shipment volumes.

[Fee example]

A customer sending approximately 100 parcels in a month would be able to send each parcel for around 250 yen.

* This fee example is intended as a guide only.

(3) Sizes handled

Assuming use of the mailbox posting service, sizes handled by NEKOPOSU are as follows: rectangular A4 size (31.2 cm by 22.8 cm) or smaller, with a thickness of 2.5 cm or smaller and a weight of 1 kg or below. If a parcel does not fit into a mailbox, delivery is not made and the parcel is returned to the depot.

(4) Flow leading to usage of NEKOPOSU (corporate customers, various types of organizations, and individual business owners)

Customers can use NEKOPOSU by entering into a contract with us in advance. Furthermore, it is necessary that NEKOPOSU customers use our free shipping label issuance system and the like to send deliveries with a dedicated shipping label. The necessary amount of shipping labels is brought by SDs.

For the details of usage of this service, please enquire at the closest sales depots in charge.

4. Individual customers using flea market sites and the like

For flea market sites and the like that have contracts with us, customers can use TA-Q-BIN Compact and NEKOPOSU in addition to ordinary TA-Q-BIN. In this way we are responding to small parcel delivery needs, which account for a large portion of C2C transactions.

Up to now, despite the simplicity of transactions through websites, the complicated nature of delivery arrangements following such transactions has been a considerable burden on product shippers. Now, however, through coordination among Yamato Transport and various websites, procedures such as issuing shipping labels and making pickup arrangements are completed within those websites. This substantially eases the burden on product shippers and makes the flow of the various stages from presentation of the product to its delivery significantly smoother.

Please note that fees for usage differ from site to site.

5. Plans hereafter

(1) We plan to add high-value-added services to TA-Q-BIN Compact, such as “TA-Q-BIN Collect,” mainly for mail-order businesses. We will also seek to gradually expand the locations handling TA-Q-BIN Compact and work to enhance convenience for all customers including individuals.

(2) For NEKOPOSU, we will strengthen our coordination with flea market sites and others. We will also make a distribution-side contribution to ensuring that C2C transactions can be carried out with more convenience and greater peace of mind than before. Our efforts to achieve this will include expanding the locations able to issue shipping labels and ship parcels, and having a framework in which delivery arrangements can be made solely through interaction on websites. This latter development will remove the need for the exchange of information such as addresses between product shippers and parcel recipients.

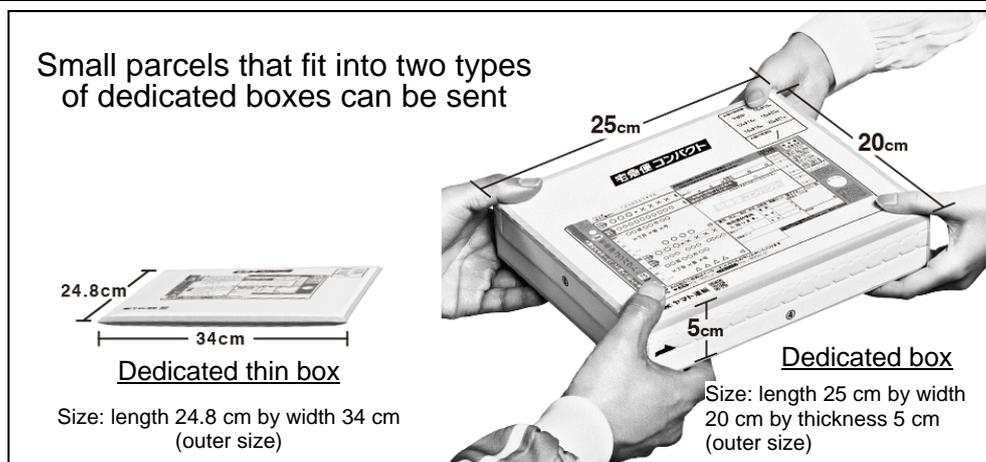
* Kuroneko Member Discount:

The Kuroneko Member Discount is a form of e-money unique to Yamato Transport that can be used at Yamato Transport’s directly managed sales depots and when visits are made by SDs. The Kuroneko Member Discount takes 10% off the regular TA-Q-BIN price (excluding tax) and the Kuroneko Member Discount BIG takes 15% off.

Reference 1: Details of TA-Q-BIN Compact service

Name	TA-Q-BIN Compact
Features	<ul style="list-style-type: none"> - Parcels smaller than TA-Q-BIN 60 size can be sent via two types of dedicated boxes - Fees lower than for TA-Q-BIN 60 size - Three discount services available for individual customers - TA-Q-BIN basic services including time-zone delivery services and over the counter parcel reception services can be used
Customer (Sender)	Available for use by all customers whether they are corporate customers or individuals
Usage Method/ Conditions	The service can be used with dedicated boxes
Pricing	<ul style="list-style-type: none"> - TA-Q-BIN Compact fees = TA-Q-BIN Compact shipment fees + dedicated box charge <li style="padding-left: 20px;">* Fees are by area (fees differ according to dispatch/arrival location) - Delivery within same area is 594 yen (including tax) <li style="padding-left: 20px;">* With biggest discount under each type of discount service, transport fee for delivery within same area is 354 yen (including tax) <li style="padding-left: 20px;">* Separate from transport fee, dedicated box charge is 65 yen (including tax)
Discount Service (Individual Customers)	<p>(1) Kuroneko Member Discount</p> <ul style="list-style-type: none"> - 15% off regular charge (when using Kuroneko Member Discount BIG) - 10% off regular charge (when using Kuroneko Member Discount) <p>(2) Digital Discount</p> <ul style="list-style-type: none"> - 50 yen off each item when using shipping label printed with "Nekopit" terminals in sales depots <p>(3) Drop-off Discount</p> <ul style="list-style-type: none"> - 100 yen off each item if you drop-off your parcel at our directly managed sales depots
Dispatch Method	<ul style="list-style-type: none"> - Pickup by Sales Drivers - Drop off at Yamato Transport's directly managed sales depots and dealer stores <li style="padding-left: 20px;">* Operations 365 days a year (excluding some locations) <li style="padding-left: 20px;">* Handling to be started gradually at convenience stores

Delivery Method	In-person delivery mainly by Sales Drivers * Operations 365 days a year
Dedicated Box (2 Types)	(1) Dedicated box: length 25 cm by width 20 cm by thickness 5 cm (outer size) (2) Dedicated thin box: length 24.8 cm by width 34 cm (outer size) * Dedicated boxes on sale at our directly managed sales depots and dealer stores throughout Japan (excluding some locations) * Orders of five boxes or more delivered to offices or homes * 65 yen/each (including tax)
Weight	No weight limits
Service Level	Nationwide next day delivery *excluding some regions
Time Zone Delivery	6 zones: Before noon, 12:00 to 14:00, 14:00 to 16:00, 16:00 to 18:00, 18:00 to 20:00, 20:00 to 21:00)
Information Concerning Delivery Status	(1) Freight tracking (2) Various e-mail notification services <Recipient> - Delivery intention e-mail - Absence notification e-mail <Delivery requester> - Delivery completion e-mail * Each of these e-mail services are available for use by members of our free membership service, "Kuroneko Members"
Remarks	- Acceptable product price limit up to 30,000 yen compensation * Details are in accordance with the contract - Features such as cash on delivery, Cool TA-Q-BIN, TA-Q-BIN Time Service, TA-Q-BIN Collect are not currently available with this service but we will look into providing them in the future

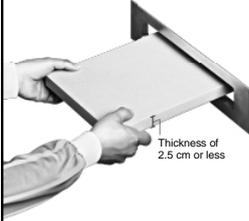


Reference 2: Details of NEKOPOSU service

Name	NEKOPOSU	
Features	<ul style="list-style-type: none"> - TA-Q-BIN-level nationwide next-day delivery (excluding some regions) - E-mail sent to recipient at time of delivery, allowing delivery information to be quickly ascertained - Nationwide uniform fee regardless of location from which parcel is sent - Through site coordination with sites for C2C transactions (flea market and auction sites) smooth deliveries provided to individual customers 	
Customer (Sender)	Corporate customers, various types of organizations and individual business owners with contracts with us	Individual customers using sites for C2C transactions (flea market and auction sites) with contracts with us
Contents (Example)	Mail-order goods, samples and the like (cosmetics, CDs, DVDs, etc.)	Goods purchased through transactions on website (daily necessities, general goods, etc.)
Usage Method/ Conditions	<ul style="list-style-type: none"> - Necessary to enter into contract with us in advance - Dedicated shipping labels must be used * Necessary to use our shipping label issuance system and the like * For delivery of posting completion e-mail to recipient, registration of recipient's e-mail address is necessary 	<ul style="list-style-type: none"> - Sites for C2C transactions (flea market and auction sites) with contracts with us must be used - Shipping label issuance and delivery arrangements must be carried out through site
Pricing	<ul style="list-style-type: none"> - Uniform nationwide pricing - Maximum 378 yen (including tax) - Determined for each customer in accordance with volume of parcels and the like 	<ul style="list-style-type: none"> - Differs from site to site

Dispatch Method	<ul style="list-style-type: none"> - Pickup by Sales Drivers - Drop off at Yamato Transport delivery depots * Operations 365 days a year (excluding some locations) * Not handled at dealer stores such as convenience stores 	<ul style="list-style-type: none"> - Pickup by Sales Drivers - Drop off at Yamato Transport delivery depots * Shipping labels can be issued at delivery depots * Handling locations to be expanded gradually to convenience stores
Delivery Method	<p>Delivered mainly by Sales Drivers. Posted to mailbox.</p> <ul style="list-style-type: none"> * Operations 365 days a year * If does not fit in mailbox, the parcel is returned to the depot 	
Size	<p>Rectangular A4 size (31.2 cm by 22.8 cm) or smaller, with a thickness of 2.5 cm or smaller</p> <ul style="list-style-type: none"> * Smallest size: parcels larger than 11.5 cm by 23 cm are accepted 	
Weight	1kg or below	
Service Level	Nationwide next day delivery (excluding some regions)	
Time Zone Delivery	Not available	
Information Concerning Delivery Status	<p>(1) Freight tracking</p> <p>(2) Various e-mail notification services</p> <p><Recipient></p> <ul style="list-style-type: none"> - Posting intention e-mail - Posting completion e-mail - Return to depot e-mail <p><Delivery requester></p> <ul style="list-style-type: none"> - Posting completion e-mail * Delivery of posting completion e-mail only done when sender registers recipient's e-mail address. 	
Remarks	<p>Acceptable product price limit up to 3,000 yen</p> <ul style="list-style-type: none"> * Details are in accordance with the contract 	

Parcel delivered in mailbox with thickness of 2.5 cm or less



- Rectangular A4 size
No more than (31.2 cm by 22.8 cm)
- * However, sizes of 23 cm by 11.5 cm or less are excluded.
- Thickness of 2.5 cm or less
- Weight of 1 kg or less
- * If a parcel does not fit in mailbox, it is returned to depot

Posting completion e-mail sent to receiver when parcel arrives



- * Only done when sender registers receiver's e-mail address.