Settlement of Accounts Meeting for the Fiscal Year Ended March 31, 2017

May 1, 2017

YAMATO HOLDINGS CO., LTD.

1. Highlight

YAMATO HOLDINGS CO., LTD.

FY2017 Results Main Points

In FY2017, operating revenue increased by ¥50.4 billion YoY. With respect to the Delivery Business, the increase was due to growth in the mail order market as well as an increase in TA-Q-BIN delivery volume amid growth of the "TA-Q-BIN Compact" and "Nekopos" services largely stemming from business via flea market websites. With respect to the non-delivery businesses, the increase was primarily due to firm results from existing services.

Operating income decreased by ¥33.6 billion YoY. The decrease was primarily attributable to factors such as high costs incurred for securing workforce capacity to handle higher operating volume amid a tightening labor market, and also attributable to having recorded payments for specially acknowledged working hours additionally recognized.

Trends of Delivery Business

- TA-Q-BIN delivery volume increased by 7.9% YoY. The increase was due to growth in delivery volume primarily involving large-lot mail-order business operators, and also due to an increase in delivery volume of the "TA-Q-BIN Compact" and "Nekopos" services largely stemming from business via flea market websites which drive expansion of the C2C market. Unit price decreased by 3.3% YoY due to a shift in the product mix.
- Kuroneko DM-Bin volume increased by 0.4% YoY due to an increase in deliveries from existing large-lot customers, despite a sluggish market and adverse effects of the competitive landscape. Unit price decreased by 3.5% YoY.

Trends of Non-Delivery Business

BIZ-Logistics Business	Revenue increased amid strong results from the business-to-business logistics related services, income decreased due to lackluster results in overseas transport services and a decrease in business involving product recalls.
Home Convenience Business	Revenue increased amid favorable results with respect to use of the Comfortable Lifestyle Support Service and our service for facilitating procurement, income decreased largely due to a decrease of highly profitable one-off business.
e-Business	Revenue and income increased due to a greater volume of business in the "setup and logistics solutions business" and other factors.
Financial Business	Revenue increased amid strong results from the lease business, but income decreased due to lackluster results from our mainstay "TA-Q-BIN Collect" service.
Autoworks Business	Revenue increased amid a gain in the number of vehicles serviced, but income decreased largely as a result of initial investment in new services.

[Results main points]

(1) In FY2017, revenue increased but income decreased substantially; operating revenue and operating income amounted to ¥1,466.8 billion and ¥34.8 billion, respectively.

(2) Operating revenue (YoY ↑ ¥50.4 billion)

Delivery Business: Delivery volume involving large-lot mail-order business operators increased, and delivery volume of the "TA-Q-BIN Compact" and "Nekopos" services also increased largely stemming from business via flea market websites which drive expansion of the C2C market.

Non-delivery businesses: Results were firm primarily from existing services such as business-to-business logistics services which are essential to our "Value Networking" design, despite lackluster performance in overseas transport services such as trading logistics.

(3) Operating income (YoY ↓ ¥33.6 billion)

- Costs relating to external factors incurred in the form of higher size-based enterprise tax, increased retirement benefit expenses, and expanded eligibility for social insurance have been largely in line with forecasts.
- The Company recorded payments for specially acknowledged working hours additionally recognized as the result of a fact-finding investigation carried out with the aim of implementing the "reforming working styles."
- Costs increased for securing workforce capacity such as outsourcing due to the tightening labor market.

2. Overview of Operating Results

YAMATO HOLDINGS CO., LTD.

(Billions of Yen)		FY2017 (Actual)	FY2016 (Actual)	FY2017 (Jan. 2017 Forecast)	YoY Change		Forecast Change	
					Amount	[%]	Amount	[%]
Operating revenues								
	Delivery	1,151.0	1,111.8	-	39.1	3.5	-	-
	Non-Delivery	315.8	304.5	-	11.2	3.7	-	-
	Total	1,466.8	1,416.4	1,460.0	50.4	3.6	6.8	0.5
Operating income		34.8	68.5	58.0	(33.6)	(49.1)	(23.1)	(39.9)
	[Profit margin]	2.4%	4.8%	4.0%	-	-	-	-
Ordinary income		34.8	69.4	58.5	(34.5)	(49.8)	(23.6)	(40.4)
	[Profit margin]	2.4%	4.9%	4.0%	-	-	-	-
Profit attributable to owners of parent		18.0	39.4	34.0	(21.3)	(54.2)	(15.9)	(46.9)
	[Profit margin]	1.2%	2.8%	2.3%	-	-	-	-

[Overview of FY2017 operating results]

(1) Nothing noteworthy has emerged in terms of non-operating income, non-operating loss, extraordinary income and extraordinary loss.

(2) Profit attributable to owners of parent was ¥18.0 billion.

3. Forecast of FY2018 Operating Results (1)

YAMATO HOLDINGS CO., LTD.

(Billions of Yen)		FY2018 Forecast	FY2017 Actual	YoY Change	
				Amount	[%]
Operating revenues		1,470.0	1,466.8	3.1	0.2
Operating income		30.0	34.8	(4.8)	(14.0)
	[Profit margin]	2.0%	2.4%	-	-
Ordinary income		30.0	34.8	(4.8)	(14.0)
	[Profit margin]	2.0%	2.4%	-	-
Profit attributable to owners of parent		17.0	18.0	(1.0)	(5.8)
	[Profit margin]	1.2%	1.2%	-	-

[Forecast of FY2018 operating results]

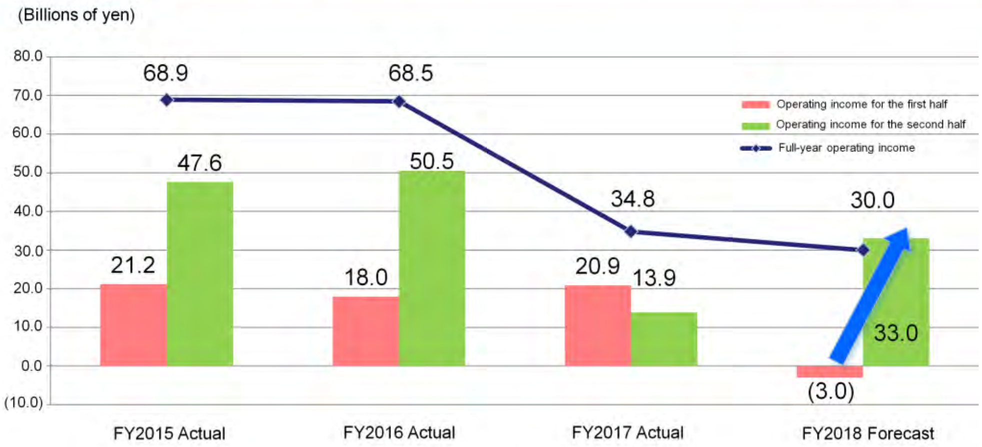
(1) Consolidated operating revenues: YoY ↑ 0.2%

(2) Consolidated operating expenses: YoY ↑ 0.6%

(3) Consolidated operating income: YoY ↓ 14.0%

4. Reforms to Achieve Sustainable Growth

YAMATO HOLDINGS CO., LTD.



Main points of forecast of FY2018 operating results

■First Half
- Growth of TA-Q-BIN delivery volume is slowing, but will continue upward momentum
- Increase in subcontracting expenses primarily with respect to commission expenses
- Slight decrease in TA-Q-BIN unit price

■Second Half
- Effects of placing controls on total TA-Q-BIN volume
- Decrease in subcontracting expenses primarily with respect to commission expenses
- Increase in TA-Q-BIN unit price

[Breakdown of first half and second half operating results forecasts and anticipated growth]

(1) In the first half, severe business conditions continuing

- Growth of TA-Q-BIN delivery volume is slowing, but will continue upward momentum (delivery volume ↑ 2.0%)
  - → Higher subcontracting expenses (commission expenses and vehicle hiring expenses) in comparison with prior first half
- Period of time required for negotiations with customers and laying the groundwork regarding total delivery volume and pricing
  - → Measures begin taking effect in the second half and beyond
  - → Slight decrease in unit pricing
- Costs incurred for implementing the “reforming working styles”
  - → Higher personnel expenses in comparison with prior first half

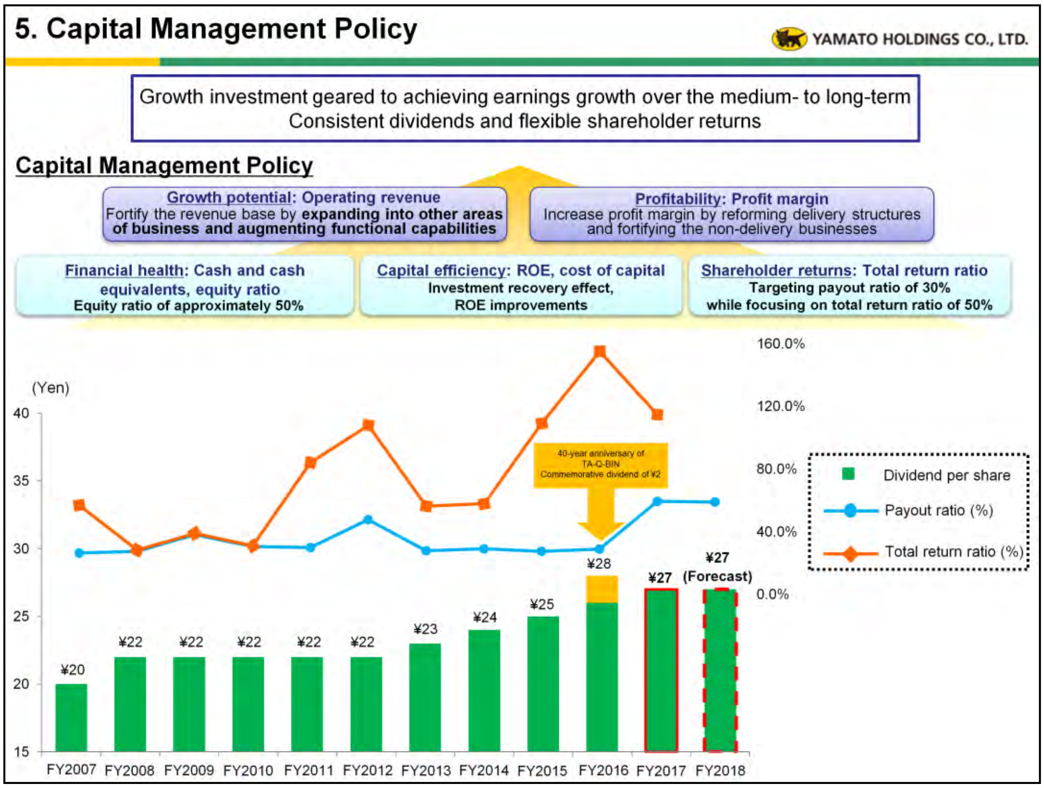
(2) In the second half, trend of recovering earnings likely as various initiatives begin to take effect

- Decrease in TA-Q-BIN delivery volume
  - → Lower subcontracting expenses (commission expenses and vehicle hiring expenses) in comparison with prior second half
- Increase in TA-Q-BIN unit price
- Continue incurring costs for implementing the “reforming working styles”
  - → Higher personnel expenses in comparison with the prior second half, excluding the lump-sum payments

(3) In the first half, we expect a substantial decrease in operating income in comparison with the prior first half. Operating expenses will increase mainly due to continuance of an operating structure in the Group’s core Delivery Business such that incurs mounting variable costs (subcontracting expenses, etc. mainly consisting of commission expenses and vehicle hiring expenses) linked to delivery volume as had been the case in the previous fiscal year, and higher costs incurred for promoting the “reforming working styles” on a Group-wide basis.

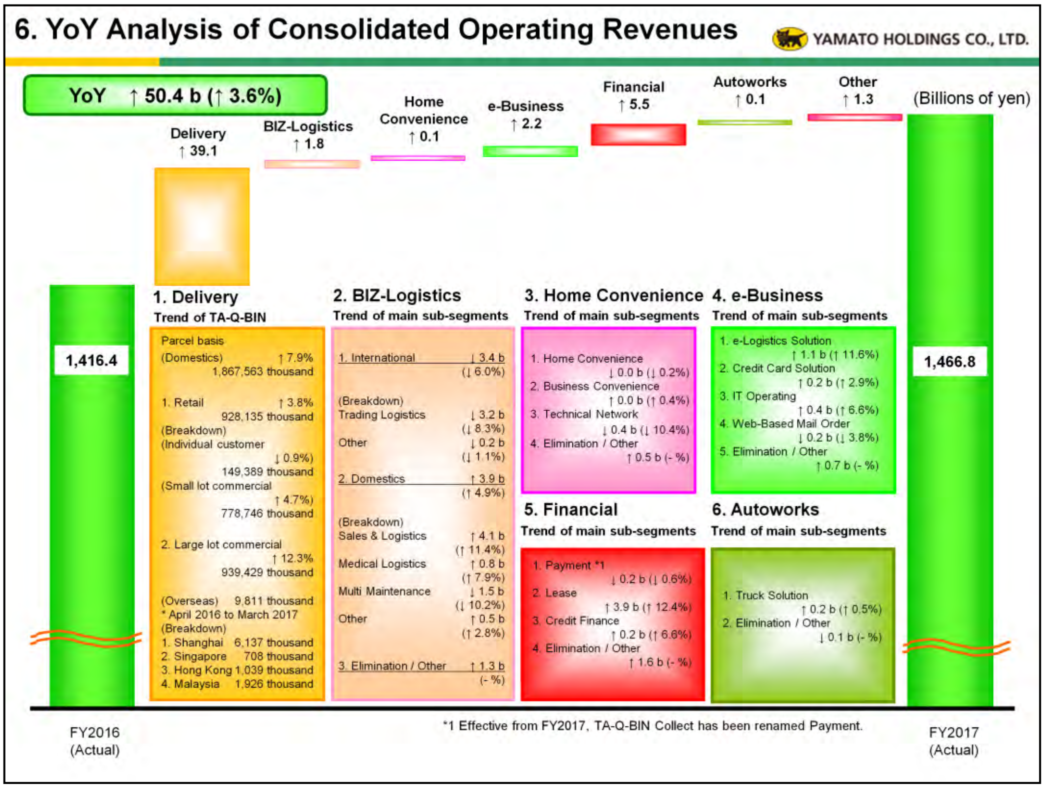
(4) In the second half, although personnel expenses are likely to increase, we will steadily forge ahead in developing and enhancing in-house operations by carrying out the “reforming working styles.” In addition, we expect to see a decrease in delivery volume brought about by negotiations with customers, and to thereby make progress in reducing subcontracting expenses (commission expenses and vehicle hiring expenses) and other costs which have increased in tandem with delivery volume. Profitability is likely to improve amid a scenario of emerging upward momentum in unit pricing brought about by increases in basic fees for TA-Q-BIN deliveries and progress made in negotiations with corporate clients. Although operating income has held at ¥33.0 billion in the current second half, recovery in earnings is in sight and we are poised for setting the foundations for growth next fiscal year and beyond.

(5) We will monitor progress made in carrying out various initiatives, and report on developments when the timing is right.



[Capital management policy]

Despite profit having briefly dipped in FY2017 largely due to the tightening labor market and payments for specially acknowledged working hours additionally recognized, our fundamental approach regarding capital management policy remains unchanged in terms of providing consistent dividends and flexible shareholder returns, and undertaking ongoing growth investment.



[Major factors of changes in revenues by segment]
Positive: Factors underpinning revenue gains; Negative: Factors underpinning revenue losses

(1) Delivery Business (Revenue increase, income decrease)
 Positive: TA-Q-BIN delivery volume: ↑ 7.9%
 (Retail: ↑ 3.8%; Large lot commercial: ↑ 12.3%); operating revenue: ↑ 4.2%
 Negative: Kuroneko DM-Bin volume: ↑ 0.4%; operating revenue: ↓ 2.5%

(2) BIZ-Logistics Business (Revenue increase, income decrease)
 Positive: Favorable results in use of sales & logistics and medical logistics services by existing customers
 Negative: Overseas transport services (Sluggish freight movement mainly among automotive customers in trading logistics)
 Multi Maintenance business (Lack of revenues sufficient to cover revenue gains of business involving product recalls achieved in the previous fiscal year)

(3) Home Convenience Business (Revenue increase, income decrease)
 Positive: Favorable results mainly from Comfortable Lifestyle Support Service and service for facilitating procurement
 Negative: Technical Network business (Shrinking market for energy equipment for home use, in addition to a lack of revenues sufficient to cover revenue gains of business involving product recalls in the previous fiscal year)

(4) e-Business (Revenue and income increase)
 Positive: Setup and Logistics services (Continued favorable results of services geared toward mobile virtual network operators)
 e-Logistics Solution (Growth of mail-order business and intra-warehouse logistics support business)

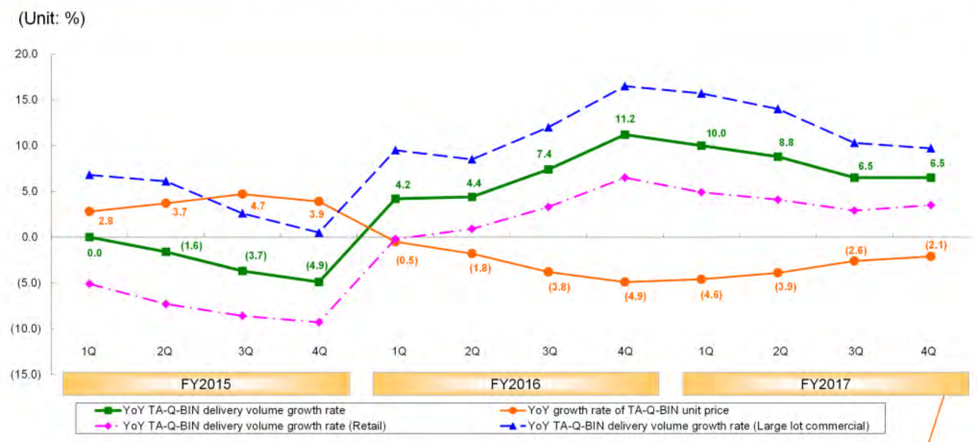
(5) Financial Business (Revenue increase, income decrease)
 Positive: Lease business (Steady results generated from financial leases primarily involving trucks and installment sales)
 Negative: Lackluster results of the Payment business (formerly referred to as the TA-Q-BIN Collect business) due to a shrinking market for cash-on-delivery settlements

(6) Autoworks Business (Revenue increase, income decrease)
 Positive: Number of vehicles serviced increased
 Negative: Incurred initial investment in new services, in addition to lower unit prices on fuel sales

7. Quarterly YoY Results of TA-Q-BIN Delivery

YAMATO HOLDINGS CO., LTD.

TA-Q-BIN delivery volume increased by 7.9% YoY. The increase was due to growth in delivery volume primarily involving large-lot mail-order business operators, and also due to an increase in delivery volume of the "TA-Q-BIN Compact" and "Nekopos" services largely stemming from business via flea market websites which drive expansion of the C2C market. Unit price decreased by 3.3% YoY due to a shift in the product mix.



4Q FY2017 unit price growth rate by market (YoY)
Retail: ↓ 1.3% Large lot commercial: ↓ 1.8%

(Note)
Figures for TA-Q-BIN delivery volume include delivery volumes of the TA-Q-BIN Compact and Nekopos services.

[Trends of TA-Q-BIN]

(1) TA-Q-BIN delivery volume up 7.9% YoY
- Business involving large-lot mail-order customers continued to grow.
- Sales of "TA-Q-BIN Compact" and "Nekopos" services were expanded.
- Shipments for small-lot commercial have been heading higher (delivery volume up 4.7% YoY)

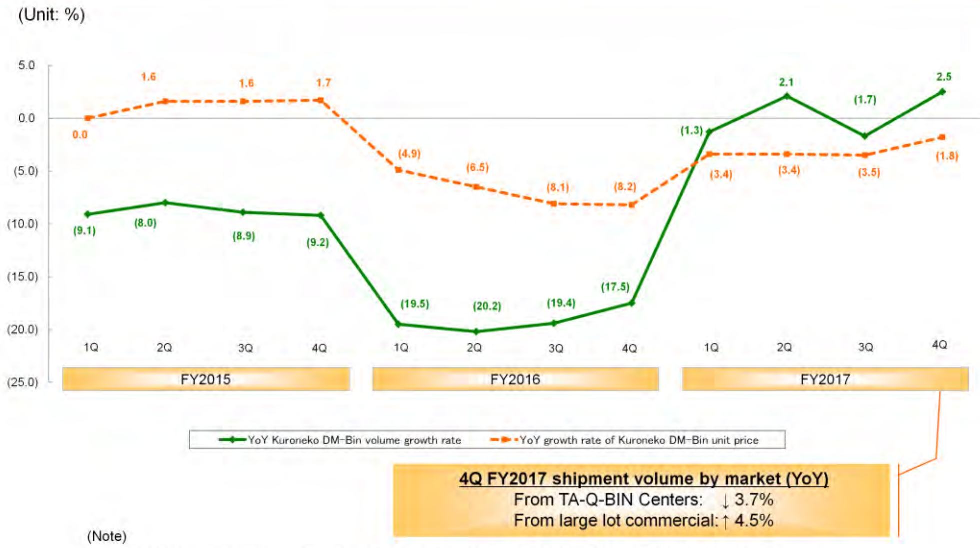
(2) The unit price was down 3.3% YoY
- The decrease was due to a shift in the product mix associated with an increase in shipments primarily for large-lot mail-order customers and increasing sales of "TA-Q-BIN Compact" and "Nekopos" services.
- However, the rate of unit price decrease has been diminishing as a result of efforts such as collecting adequate fees in proportion to parcel.

(3) Trends with "TA-Q-BIN Compact" and "Nekopos" services
- Greater delivery volume against a backdrop of growth in the C2C market
- Promoting more sales also in the B2B market

8. Quarterly YoY Results of Kuroneko DM-Bin

YAMATO HOLDINGS CO., LTD.

Kuroneko DM-Bin volume increased by 0.4% YoY due to an increase in deliveries from existing large-lot customers, despite a sluggish market and adverse effects of the competitive landscape.
Unit price decreased by 3.5% YoY.

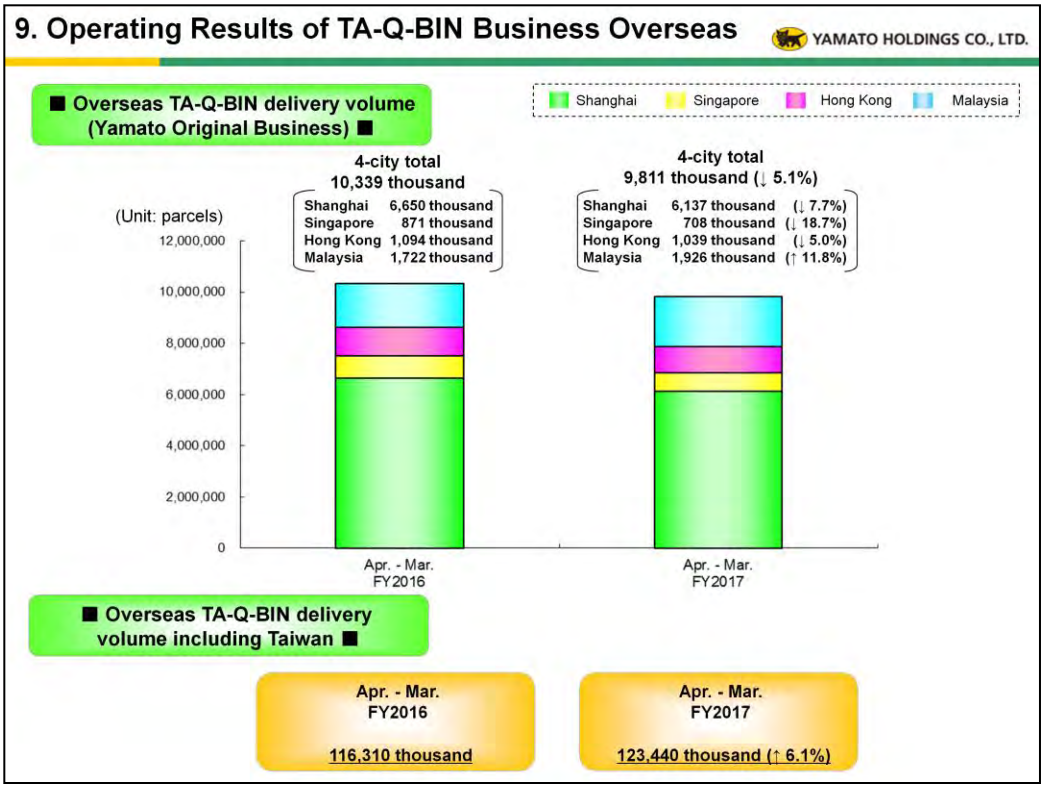


(Note)
Kuroneko Mail service has been discontinued in FY2016, and Kuroneko DM-Bin service is being offered in its place.

[Trends of Kuroneko DM-Bin]

(1) Kuroneko DM-Bin volume up 0.4% YoY
- Volume has been on par with previous year levels despite a sluggish market and persisting price offensives being mounted by competitors, largely due to increased sales to existing large-lot customers.

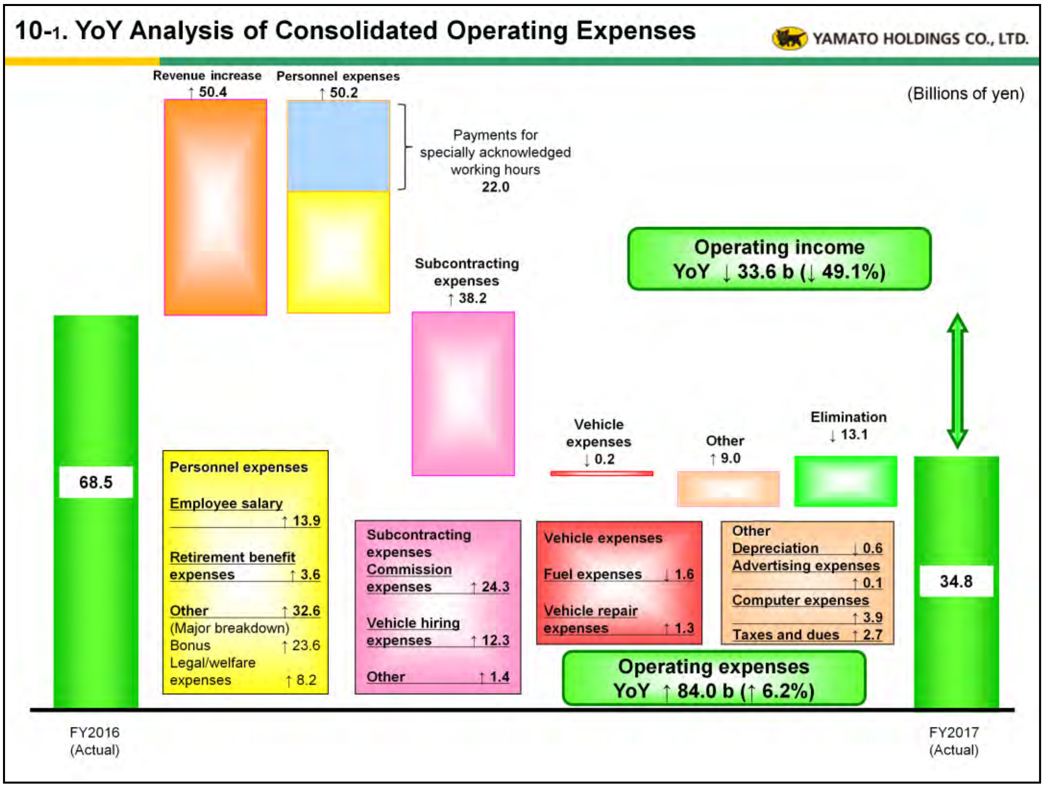
(2) Unit price: YoY ↓ 3.5%
- The unit price has decreased as a result of the increase in deliveries among large-lot customers.



[Progress achieved by the TA-Q-BIN business overseas]

(1) With the exception of Malaysia and Taiwan, delivery volume continued to decrease as a result of efforts to review unprofitable transactions.

(2) Operating income has been improving as we promote adequate pricing.



[Major changes in consolidated operating expenses (overall)]

(1) Operating revenue increased by 3.6% YoY while operating expenses increased by 6.2% YoY.

(2) Lower crude oil prices → Fuel expenses decreased by ¥1.6 billion YoY, however, showing an upward trend.

(3) Impact of payments for specially acknowledged working hours on personnel expenses
- Bonus payment: ↑ approx. ¥19.0 billion
- Legal welfare expenses: ↑ approx. ¥3.0 billion

(4) Company operating in a business environment that is becoming less favorable
- Tightening labor market → Rising costs associated with securing labor capacity, including recruitment costs and per unit labor costs
  Moreover, trend of further increases in labor costs incurred to secure labor capacity and maintain service quality, amid increases in operating volumes, and not-at-home rate due to growth in the mail order market.
- Tax increase in size-based enterprise tax (↑ approx. ¥3.1 billion) → Increase of taxes and dues
- Increase in retirement benefit expenses (↑ approx. ¥3.1 billion due to shift in the discount rate)
- Increase in expenses due to expanded scope of social insurance eligibility from the second half (↑ approx. ¥1.0 billion) → Increase of legal welfare expenses

(5) We will aggressively promote measures to improve productivity, but we realize we have entered a challenging phase with respect to absorbing cost increases on the basis of our own efforts.

10-2. YoY Analysis of Consolidated Operating Expenses

YAMATO HOLDINGS CO., LTD.

(Millions of Yen)	FY2017 Actual	FY2016 Actual	FY2017 (Jan. 2017 Forecast)	YoY Change		Forecast Change	
				Amount	[%]	Amount	[%]
Operating revenues	1,466,852	1,416,413	1,460,000	50,439	3.6	6,852	0.5
Operating expenses	1,431,966	1,347,872	1,402,000	84,093	6.2	29,966	2.1
Personnel expenses	769,260	718,980	743,500	50,279	7.0	25,760	3.5
Employee salary	513,656	499,660	511,000	13,995	2.8	2,656	0.5
Retirement benefit expenses	17,024	13,404	17,000	3,619	27.0	24	0.1
Other personnel expenses	238,580	205,915	215,500	32,664	15.9	23,080	10.7
Subcontracting expenses	588,388	550,188	583,000	38,200	6.9	5,388	0.9
Commission expenses	241,888	217,524	236,000	24,364	11.2	5,888	2.5
Vehicle hiring expenses	189,272	176,885	186,000	12,387	7.0	3,272	1.8
Other subcontracting expenses	157,227	155,778	161,000	1,448	0.9	(3,772)	(2.3)
Vehicle expenses	40,634	40,924	41,500	(290)	(0.7)	(865)	(2.1)
Fuel expenses	19,333	20,987	21,500	(1,654)	(7.9)	(2,166)	(10.1)
Other operating expenses	308,385	299,296	309,000	9,088	3.0	(614)	(0.2)
Depreciation	46,114	46,739	45,000	(624)	(1.3)	1,114	2.5
Elimination	(274,702)	(261,517)	(275,000)	(13,184)	5.0	297	(0.1)

[Major changes in consolidated operating expenses (in detail)]

(1) Personnel expenses:

Other personnel expenses: YoY ↑ ¥32.6 billion

- Short-span part timer wages...YoY ↑ ¥0.7 billion

(2) Subcontracting expenses: YoY ↑ ¥38.2 billion (↑6.9%)

Commission expenses: YoY ↑ ¥24.3 billion (↑11.2%)

- Delivery Business...................YoY ↑ ¥20.2 billion

  Outsourcing of TA-Q-BIN deliveries increased as a consequence of increased TA-Q-BIN delivery volume and tight labor markets.

- Non-delivery businesses.........YoY ↑ ¥4.1 billion

  Primarily in the e-Business segment, there was increased use of subcontracting and other such services associated with higher revenues due to greater numbers of development projects.

Vehicle hiring expenses: YoY ↑ ¥12.3 billion (↑7.0%)

In line with accounting item reclassification taking effect this fiscal year, expressway tolls incurred by hired vehicles, which were previously recorded under “expressway tolls,” are now recorded under “vehicle hiring expenses” (¥5.3 billion). Vehicle hiring expenses increased by 4.0% (↑ ¥7.0 billion) excluding effects of this change, which reflects efforts to keep such expenses appropriately under control relative to delivery volume increases.

Other subcontracting expenses: YoY ↑ ¥1.4 billion (↑0.9%)

→ ・Cost of sales increased due to robust results in the lease business (↑ ¥2.8 billion)

・Cost of purchases decreased due to lower crude oil prices

・Decrease in mixed freightage expenses associated with downturn in revenues of overseas transport services (↓ ¥ 1.8 billion)

(3) Vehicle expenses: YoY ↓ ¥0.2 billion (↓0.7% Fuel expenses decreased by ¥1.6 billion due to lower crude oil prices, however, vehicle repair expenses increased by ¥1.3 billion)

(4) Other operating expenses: YoY ↑ ¥9.0 billion (↑3.0%)

- Size-based enterprise tax......... ↑ ¥3.1 billion (taxes and dues)
- Depreciation......... ↓ ¥0.6 billion

11. YoY Analysis of Operating Expenses in Delivery Business

YAMATO HOLDINGS CO., LTD.

(Millions of Yen)	FY2017 Actual	FY2016 Actual	YoY Change Amount	YoY Change [%]
Operating revenues	1,151,028	1,111,875	39,152	3.5
Operating expenses	1,145,390	1,073,699	71,691	6.7
Personnel expenses	669,019	622,529	46,489	7.5
Employee salary	444,790	432,345	12,444	2.9
Retirement benefit expenses	14,142	11,103	3,038	27.4
Other personnel expenses	210,086	179,080	31,006	17.3
Subcontracting expenses	352,741	320,549	32,192	10.0
Commission expenses	136,530	116,302	20,228	17.4
Vehicle hiring expenses	180,647	168,255	12,392	7.4
Other subcontracting expenses	35,563	35,991	(428)	(1.2)
Vehicle expenses	35,783	35,732	50	0.1
Fuel expenses	15,886	17,209	(1,322)	(7.7)
Other operating expenses	212,169	213,674	(1,504)	(0.7)
Depreciation	31,273	32,784	(1,510)	(4.6)
Elimination	(124,324)	(118,786)	(5,537)	4.7

(Notes)

1. Starting with FY2017, Yamato Payment Service (HK) Ltd., which was previously included in Financial Business segment, has been shifted to Delivery Business segment. With this change between the segments, FY2016 results for Delivery Business segment and Financial Business segment have been modified to meet the current structure.
2. The figures above include operating expenses related to overseas TA-Q-BIN services.

[YoY analysis of operating expenses in Delivery Business]

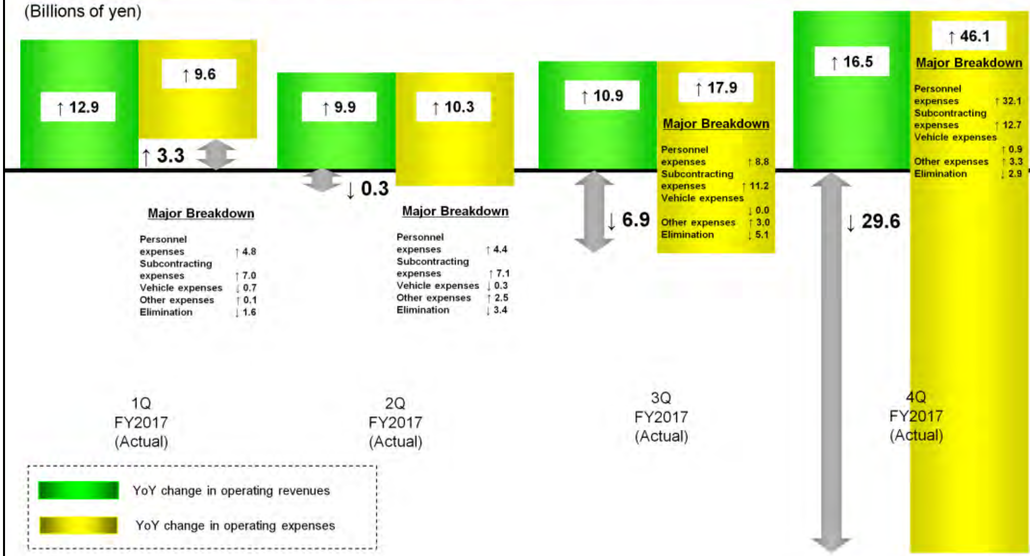
For this slide, refer to explanation given in relation to the previous slide.

12. Quarterly YoY Trends of Consolidated Operating Income

YAMATO HOLDINGS CO., LTD.

In 4Q FY2017, operating income decreased by ¥29.6 billion YoY despite an increase in TA-Q-BIN delivery volume, due to factors such as mounting labor costs incurred for handling higher operating volumes amid a tightening labor market, as well as having recorded payments for specially acknowledged working hours additionally recognized as the result of a fact-finding investigation into working hours of employees.

(Billions of yen)



[Quarterly trends of operating income]

(1) Bar chart of a YoY comparison of operating revenues and operating expenses

(2) In 4Q, operating income decreased by ¥29.6 billion YoY due to effects of payments for specially acknowledged working hours.

(3) The cost environment remains severe amid the tightening labor market and other such factors

13. Forecast of FY2018 Operating Results (2)

YAMATO HOLDINGS CO., LTD.

(Millions of Yen)	FY2018 Forecast	FY2017 Actual	YoY Change Amount	YoY Change [%]
Operating revenues				
Delivery	1,160,000	1,151,028	8,971	0.8
BIZ-Logistics	112,000	108,643	3,356	3.1
Home Convenience	51,000	49,163	1,836	3.7
e-Business	42,000	45,639	(3,639)	(8.0)
Financial	72,000	77,985	(5,985)	(7.7)
Autoworks	26,000	24,613	1,386	5.6
Other	7,000	9,777	(2,777)	(28.4)
Total	1,470,000	1,466,852	3,147	0.2
Operating income				
Delivery	5,000	5,638	(638)	(11.3)
BIZ-Logistics	4,200	4,072	127	3.1
Home Convenience	1,500	1,076	423	39.3
e-Business	8,300	9,368	(1,068)	(11.4)
Financial	6,500	8,243	(1,743)	(21.2)
Autoworks	4,000	3,273	726	22.2
Other	28,500	35,477	(6,977)	(19.7)
Subtotal	58,000	67,149	(9,149)	(13.6)
Elimination	(28,000)	(32,264)	4,264	(13.2)
Total	30,000	34,885	(4,885)	(14.0)
[Profit margin]	2.0%	2.4%	-	-
Ordinary income	30,000	34,884	(4,884)	(14.0)
[Profit margin]	2.0%	2.4%	-	-
Profit attributable to owners of parent	17,000	18,053	(1,053)	(5.8)
[Profit margin]	1.2%	1.2%	-	-

TA-Q-BIN and Kuroneko DM-Bin forecasts

Delivery Business

- TA-Q-BIN parcels (forecast)
  1,785,000 thousand (YoY ↓ 4.4%)
- TA-Q-BIN unit price (forecast)
  ¥592 (YoY ↑ 5.9%)
- Kuroneko DM-Bin units (forecast)
  1,490,000 thousand (YoY ↓ 3.4%)
- Kuroneko DM-Bin unit price (forecast)
  ¥56 (YoY ↑ 1.8%)

[Operating results forecast by business segment]

For this slide, refer to explanation given in relation to Slide 4.

14. Forecast of FY2018 Operating Results (3)

YAMATO HOLDINGS CO., LTD.

(Millions of Yen)	FY2018 Forecast	FY2017 Actual	YoY Change	
			Amount	[%]
Operating revenues	1,470,000	1,466,852	3,147	0.2
Operating expenses	1,440,000	1,431,966	8,033	0.6
Personnel expenses	773,500	769,260	4,239	0.6
Employee salary	530,000	513,656	16,343	3.2
Retirement benefit expenses	18,000	17,024	975	5.7
Other personnel expenses	225,500	238,580	(13,080)	(5.5)
Subcontracting expenses	579,000	588,388	(9,388)	(1.6)
Commission expenses	237,000	241,888	(4,888)	(2.0)
Vehicle hiring expenses	183,000	189,272	(6,272)	(3.3)
Other subcontracting expenses	159,000	157,227	1,772	1.1
Vehicle expenses	41,000	40,634	365	0.9
Fuel expenses	21,000	19,333	1,666	8.6
Other operating expenses	326,500	308,385	18,114	5.9
Depreciation	48,500	46,114	2,385	5.2
Elimination	(280,000)	(274,702)	(5,297)	1.9

Assumptions of forecasts

Personnel expenses

- Employee salary (consolidated; forecast)
  - Total 210,950 persons (YoY ↑ 9,166 / ↑ 4.5%)
  - Full-time 94,950 persons (YoY ↑ 4,213 / ↑ 4.6%)
  - Part-time 116,000 persons (YoY ↑ 4,953 / ↑ 4.5%)
- Other personnel expenses
  Increase due to promotion of "reforming working styles" and expanded scope of social insurance eligibility, etc.

Capital expenditure

Capital expenditure (Millions of Yen, forecast) ¥ 65,000

[Forecast of operating expenses]

For this slide, refer to explanation given in relation to Slide 4.

15. Structural Reforms in the Delivery Business

YAMATO HOLDINGS CO., LTD.

1. Objectives regarding "structural reforms in the Delivery Business" for FY2018

We are carrying out structural reforms in the Delivery Business so that we will be able to keep providing high-quality services to our customers well into the future. To that end, we aim to redesign the business model of the Delivery Business so that it is better aligned with the coming era, with our focus primarily on "reforming working styles" that enable a more upbeat working environment for employees who form the cornerstone of our operations.

2. Outline of "structural reforms in the Delivery Business" for FY2018

(1) Improving and developing employee working environment

(2) Placing controls on total TA-Q-BIN volume

(3) Optimizing the entire TA-Q-BIN delivery network

(4) Boosting efficiency by enhancing the "last mile" network

(5) Revising TA-Q-BIN basic fees and respective service standards

[Structural reforms in the Delivery Business]

Explanation given on the basis of details provided in the press release ["Structural reforms in the Delivery Business" for FY2018] of April 28, 2017.

[Reference 1] TA-Q-BIN Rates Table <Current Rates>

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[Units: Yen]

	Size	Kanto	Southern Tohoku	Shinetsu	Chubu	Hokuriku	Northern Tohoku	Kansai	Chugoku	Shikoku	Hokkaido	Kyushu	Okinawa	
Tokyo	60	700	700	700	700	700	800	800	900	1,000	1,100	1,100	1,200	↑ ¥140
	80	900	900	900	900	900	1,000	1,000	1,100	1,200	1,300	1,300	1,700	
	100	1,100	1,100	1,100	1,100	1,100	1,200	1,200	1,300	1,400	1,500	1,500	2,200	↑ ¥160
	120	1,300	1,300	1,300	1,300	1,300	1,400	1,400	1,500	1,600	1,700	1,700	2,700	
	140	1,500	1,500	1,500	1,500	1,500	1,600	1,600	1,700	1,800	1,900	1,900	3,200	↑ ¥180
	160	1,700	1,700	1,700	1,700	1,700	1,800	1,800	1,900	2,000	2,100	2,100	3,700	

[Reference 2] New Discount System and New Services

YAMATO HOLDINGS CO., LTD.

<e.g.> Sending from Kanto – Delivering to Kansai TA-Q-BIN rates of size 60

Current rates

¥864 (including tax)

Kuroneko Member Discount 10%

Drop-off Discount ↓¥100

After discount ¥678 (including tax)

Amended rates

¥1,015 (including tax)

Kuroneko Member Discount ↓10%

Drop-off Discount ↓¥100

After discount ¥814 (including tax)

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NEW **Kuroneko Members Drop-off Discount** ↓¥50

NEW **Digital Discount** ↓¥50

After discount ¥714 (including tax)

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NEW **Direct Delivery to TA-Q-BIN Delivery Centers (Tentative name)** ↓¥50

After discount ¥664 (including tax)

These presentation materials (with explanatory notes) and the minutes of the financial results meeting Q&A are posted in PDF format on the Company's website in the Investor Relations section.