

The Yamato Group's Foundation

Yamato's Unchanging Beliefs: Core Values

The Yamato Group's foundation lies in its Core Values, which serve as the spirit of the Group's founding and have remained unchanged since its establishment in 1931. Over the next 100 years, we aim to remain a corporate group that is trusted by stakeholders through the promotion of initiatives supported by our Group Corporate Philosophy, which was created based on our unchanging Core Values.

Core Values

1. We all represent the Company.

This value represents the spirit of "inclusive management," whereby employees make decisions based on their own judgments and engage with our customers and business partners with an awareness that they represent the Company.

2. We connect our customers' hearts with every delivery.

This value defines deliveries as not simply the transportation of goods, but rather a chance for us to connect with our customers' hearts and offer them joy.

3. We conduct ourselves both professionally and ethically.

This value reflects the importance of ensuring that all our employees adhere to laws and regulations as members of society while conducting themselves in an ethical manner.

Management Philosophy

Yamato helps enrich our society by enhancing our social infrastructure, creating more convenient services for evolving lifestyles and industries, and developing innovative logistics and distribution systems.





Overview of Our Group Corporate Philosophy



Management Philosophy

Our Management Philosophy serves as the purpose for operating our businesses and provides the direction toward which we should aim as a company.

Corporate Stance

Our Corporate Stance serves as our promise to society and represents our basic approach that we constantly implement with the aim of realizing our Management Philosophy.

Employee Code of Conduct

The Employee Code of Conduct lays out the ideal approach and mindset that all members of the Yamato Group should have as they engage in their daily work in accordance with the Management Philosophy and Corporate Stance.

Yamato Corporate Philosophy

Core Values

Our Core Values encapsulate our fundamental way of thinking and can be considered as the spirit of our founding. Within our Group Corporate Philosophy, we position these Core Values as the foundation of the Yamato Group.

To foster a high sense of ethics on a Groupwide basis and further instill the Group Corporate Philosophy among employees and encourage them to implement it in their daily work, we have made partial revisions to our Corporate Stance and Employee Code of Conduct, which serve as integral parts of our Group Corporate Philosophy. We are also promoting ethics training for all employees, among other efforts. For more details on such efforts, please see "Efforts to Strengthen Group Governance" on page 60. ▶ [P60 Efforts to Strengthen Group Governance](#)



The 100-Year History of the Yamato Group

A History of Innovation

From the time it was founded as a truck transportation company by Yasuomi Ogura in 1919 to the present day, the Yamato Group has continued to create unprecedented services that are needed by society. The Group's foundation throughout that history has been the beliefs incorporated within its Core Values, namely, the constant desire to continue to offer even better services for its customers and society at large. These beliefs, which have been a core part of the Group since its founding, have led to the success of the *TA-Q-BIN* service and have underpinned the Group's growth to date.

The Inherited DNA of the Yamato Group

Core Values

Incorporating the Founding Spirit within Our Core Values

Our Core Values, which were established by our founder Yasuomi Ogura in 1931 shortly after our founding, have always been considered something that should remain unchanged throughout our 100-year history. When it came to corporate management, Yasuomi Ogura believed that no matter how logically a business person ran a company, the efforts of each individual employee are the most important aspect of preventing that company's organization from becoming a mere formality and of having that company be accepted by society.

Personnel involved in our transport businesses work on their own individual routes on a daily basis, which means it can take a certain amount of time before the direction of the upper management is communicated to them. Yasuomi Ogura believed that the independence of each employee who places importance on the Core Values is could compensate for this time lag. He therefore took steps to spread awareness of the Core Values across the Company.



Company founder
Yasuomi Ogura

Inclusive Management

Inheriting the Spirit of Our Founding and Implementing "Inclusive Management"

The beliefs that Yasuomi Ogura incorporated into the Core Values were inherited by the second president of the Company, Masao Ogura—the inventor of *TA-Q-BIN*. Masao Ogura expressed "we all represent the Company," which is the first of our Core Values, in the words "inclusive management." This involves each employee thinking and acting using their own judgments in order to resolve the issues facing our customers and society as a whole. To firmly entrench the spirit of "inclusive management" within the Company, Masao Ogura valued communication and repeatedly conveyed corporate targets to employees both in speech and in writing.

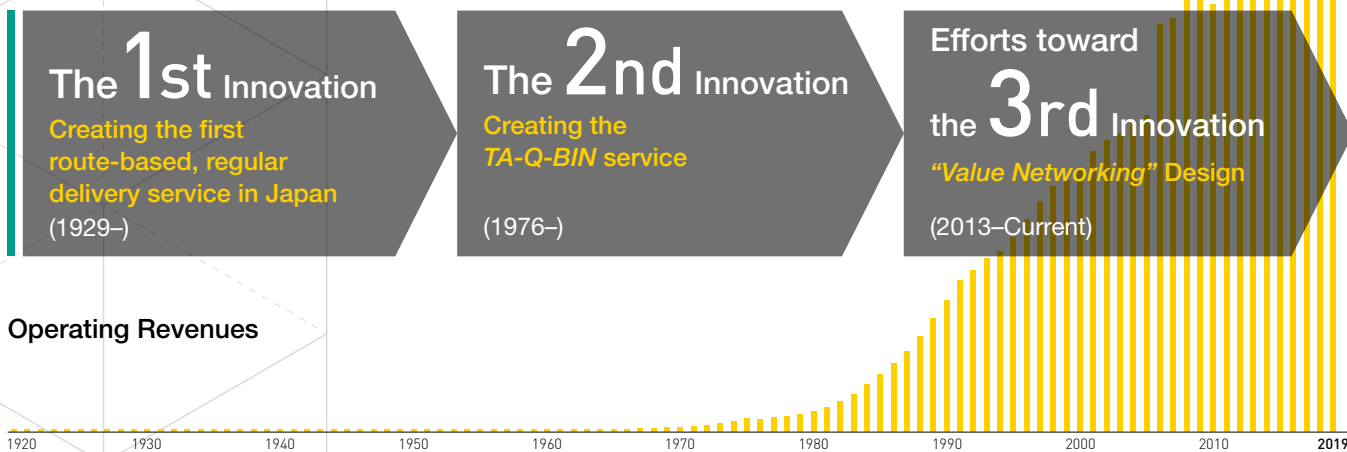
After commencing the *TA-Q-BIN* service, the concept of "inclusive management" was put into practice primarily by our sales drivers, giving rise to products and services that originated from the front lines. "Inclusive management" is something that has been adopted in our current corporate culture and represents a significant strength of the Yamato Group.



TA-Q-BIN inventor
Masao Ogura

Realizing Continuous Growth by Innovation

2019/3
¥1,625.3 billion



The 1st Innovation

Creating the first route-based, regular delivery service in Japan (1929-)

The 2nd Innovation

Creating the TA-Q-BIN service (1976-)

Efforts toward the 3rd Innovation

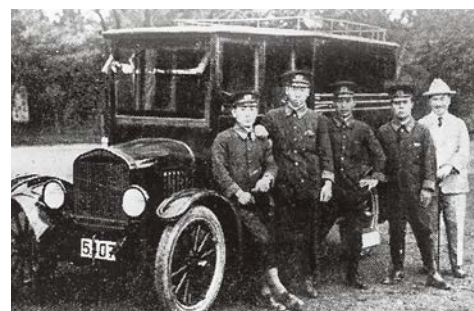
“Value Networking” Design (2013-Current)

The Period of Our Founding

The Yamato Group was founded in 1919 as Yamato Transport. Yamato Transport commenced a truck transport service in the Ginza area of Tokyo that comprised four trucks. This represented the starting point for the Yamato Group, a corporate group that has leveraged new ideas to create unprecedented businesses and services.

1919 Founds Yamato Transport as a Truck Transportation Company with Four Trucks

In 1919, there were a total of 204 trucks in Japan, and four of those belonged to Yamato Transport, which was located in the Ginza area of Tokyo. This is how the story of the Yamato Group began. At a time when cargo transport via roads was primarily performed using horse carriages and wagons, the Group’s founder Yasuomi Ogura accurately predicted the coming of an era that demanded speedy transport, and therefore began his pursuit of a truck transportation business.



A commemorative photo of founder Yasuomi Ogura and his truck drivers taken in front of a truck at the time of the Company’s founding

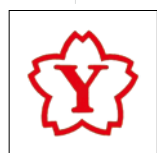
1923 Concludes a Contract for the Transport of Products with Mitsukoshi Gofukuten



A special Mitsukoshi Gofukuten vehicle around 1935

In 1923, Yamato Transport commenced the transport of products after receiving a request from Mitsukoshi Gofukuten Co., Ltd. Until that time, Mitsukoshi Gofukuten conducted the majority of its deliveries using private automobiles. However, being impressed with Yamato Transport’s low fares as well as the positive attitudes of its drivers and its high reliability as a corporation, Mitsukoshi Gofukuten made the decision to partner with Yamato Transport for the transport of products.

- 1921 Begins fresh fish deliveries
- 1922 Designates a service point in Yokohama and begins regular transport of parcels
- 1924 Adopts an official cap and uniform and lends them to drivers
Commences services for transporting parcels related to moving and marriage ceremonies
- 1926 Formulates a service point system and establishes service points in each region
- 1928 Makes the Company emblem featuring a cherry blossom marked with the letter “Y” a registered trademark (in use since around 1922)



The 100-Year History of the Yamato Group—A History of Innovation

The 1st Innovation

Commencing the first route-based, regular delivery service in Japan

In 1929, Yamato Transport started the first route-based, regular delivery service in Japan. Soon after its launch, this service adopted the name *YAMATO-BIN*. Through this service, the Company realized growth by expanding its delivery network across the Tokyo metropolitan area and surrounding areas.

1929 Commences the Route-Based, Regular Delivery Service between Tokyo and Yokohama

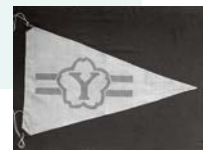


A pamphlet from the time the regular delivery service began

Yasuomi Ogura visited London in 1927, where he first came into contact with a transport company that conducted the regular transport of parcels from London to suburban cities via truck. This regular delivery service used horse carriages that would go around the city of London and collect parcels. People with parcels for transport would hang a sign on their homes during the times these horse carriages were making their rounds, and the horse carriage drivers would disembark the carriage and come to the entrance of these homes to

collect the parcels. Yasuomi Ogura believed that this system would be able to meet the demand for small-lot transport in Japan and change the way transport is conducted in the country. He therefore decided to create a similar route-based delivery network in Japan.

Yamato Transport designated tobacco stores and general stores as service points, and supplied them with yellow triangular flags with a red emblem illustrating a cherry blossom with the letter "Y" dyed on them. The stores would hang these flags outside when they had parcels that needed to be transported. Based on this system, Yamato Transport commenced the regular delivery service between Tokyo and Yokohama in 1929, which represented the first route-based delivery service in Japan. By the end of 1935, Yamato Transport had expanded its delivery network to encompass the entire Kanto region.

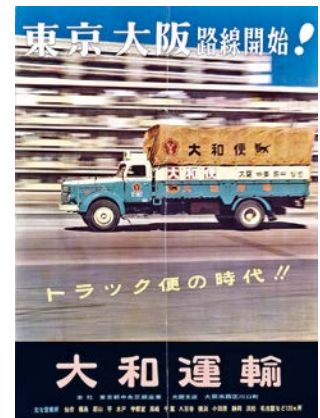


Triangular flag with an emblem displaying a cherry blossom with the letter "Y"

1960 Faces a Management Crisis Due to the Delay in Entering the Long-Distance Transport Route between Tokyo and Osaka

Yamato Transport received a license to operate along the Tokaido route and began transport operations between Tokyo and Osaka in 1960. This was several years later than many of the Company's competitors. Until that time, Yasuomi Ogura determined that the maximum distance for transport should be 100 km based on route conditions and truck performance, and Yamato Transport therefore focused on short-distance transport within the Tokyo metropolitan area and surrounding areas. However, as the times changed, progress was made in terms of road maintenance, and the performance of trucks had also improved.

When Yamato Transport finally made its entrance onto long-distance routes, numerous other companies had already concluded contracts with business operators on these routes. The Company endeavored to increase its parcel amounts, but with its low unit price, profits soon deteriorated. The Company's performance dropped to record a loss. Changing course from the prosperous road it had thus far traveled, Yamato Transport was faced with a serious management crisis.



Advertisement from the time when the Company began operating on the route between Tokyo and Osaka

- 1931** Formulates the Core Values
- 1935** Completes network for regular deliveries across the Tokyo metropolitan area and surrounding areas
- 1936** Changes name of its fixed-route delivery service to *YAMATO-BIN*
- 1947** Establishes Echizenbori Workshop and starts packing and shipping service of household goods and furniture for United States military personnel
- 1949** Lists on the Tokyo Stock Exchange
Receives license to operate a freight forwarding business and begins this business the following year
- 1950** Obtains customs broker license from Tokyo Customs and commences the customs clearance business
- 1951** Concludes an agent contract with C.A.T. (Civil Air) Taiwanese Airlines Corporation and starts the handling of air freight
- 1952** Commences the handling of marine freight
- 1957** Receives permission to use the cat trademark from Allied Van Lines Inc. and adopts and begins use of the mother cat and kitten as its logo



Establishes Yamato Shoji Co., Ltd. (currently Yamato Autoworks Co., Ltd.)

- 1958** Commences the packing and shipping of artworks
- 1961** Starts the handling of mixed freight for domestic airlines
- 1968** Sends first employee on an overseas dispatch to New York City

The 2nd Innovation

Creating of the TA-Q-BIN service

The launch of *TA-Q-BIN*, a new service that handled small-lot parcels, in 1976 was a major reversal from the conventional way of thinking in the transport industry at the time, which was that transporting large-lot parcels all at once was the most logical approach. With an idea and a system that was truly ahead of its times, the *TA-Q-BIN* service brought about new trends in the logistics and transport industries one after another.

1972

Begins employing female drivers (five at the Fukuoka Branch)

1973

Establishes Yamato System Development Co., Ltd.

1974

Commences operation of the NEKO Total System (The First NEKO System)

1979

Commences formal operation of the *TA-Q-BIN* service on Sundays and holidays

1980

Introduces barcodes for *TA-Q-BIN* invoices
Begins operation of the Second NEKO System (*TA-Q-BIN Online*)

1981

Completes the first prototype for a new *TA-Q-BIN* pickup and delivery (Walkthrough 1-Ton Vehicle)

1982

Changes trade name to Yamato Transport Co., Ltd.

Launches the *International TA-Q-BIN* service

1984

Launches the *Golf TA-Q-BIN* service

1986

Establishes Yamato Collect Service Co., Ltd. (currently Yamato Financial Co., Ltd.)
Launches the *Collect* service

1987

Launches the *UPS TA-Q-BIN* service

1988

Launches the *Cool TA-Q-BIN* service
Commences night delivery services for *TA-Q-BIN*

1989

Launches the *Airport TA-Q-BIN* service

1976 Creates the TA-Q-BIN Service



A pamphlet from the time the *TA-Q-BIN* service was launched

Guidelines for *TA-Q-BIN* Development

- (1) Consider aspects from the consumer's point of view
- (2) Regard *TA-Q-BIN* as a lasting and developmental system
- (3) Maintain a uniform standard of service that is better than others
- (4) Target an unspecified number of shippers or cargo
- (5) Rationalize thoroughly

Masao Ogura, who was appointed as president in 1971, pursued an investigation into why the Company's profits were low. Through his investigation, he realized that the conventional way of thinking in the transportation industry—which was that small-lot-parcels were a burden to pick up and deliver and could not realize appropriate levels of profitability, and that it was more logical to transport large-lot parcels all at once rather than transporting small-lot parcels multiple times—was flawed. Masao Ogura was confident that, since the unit price per kilogram for small-lot-parcels was high, substantial revenues could be generated if the Company were to handle these parcels in large amounts. Guided by this belief, he proposed "Important Guidelines for *TA-Q-BIN* Development" in-house in the summer of 1975. These important guidelines, which are listed on the left, became the basic approach of the development of the *TA-Q-BIN* service. Guided by this approach, members from various divisions of the Company gathered together to form working groups. These groups hammered out the specific details of the *TA-Q-BIN* service.

Through these efforts, the *TA-Q-BIN* service was launched on January 20, 1976, as a concept service that entailed making only one phone call to have a parcel picked up and delivered the next day.

1983 Launches Ski TA-Q-BIN

Ski TA-Q-BIN, launched in 1983, was the first product that added value to the *TA-Q-BIN* service. *Ski TA-Q-BIN* originated in the apple-producing area of Nagano, where the amount of shipments was extremely small after the apple season was over. A local employee's attention was attracted by a group of skiers walking while carrying bulky skies—this was a time in Japan when the number of skiers was increasing. From the local employee's idea for new shipments that would allow customers to enjoy time at the ski resorts unencumbered by their skis, *Ski TA-Q-BIN* started as the first product to link *TA-Q-BIN* and a leisure activity.



Ski TA-Q-BIN delivery at the time the product was launched

The 100-Year History of the Yamato Group—A History of Innovation

1992
Starts the *TA-Q-BIN Time* service

1995
Establishes the Yamato Transport Corporate Philosophy

1996
Starts operation of regular delivery services during the year-end and New Year's holidays, thus realizing operation on a 365-days-a-year basis

Begins *Kuroneko Mail-Bin*
Redesigns delivery notification forms to have indented edges on both sides to make them more accessible

1998
Commences the *Time Zone TA-Q-BIN Delivery* service
Launches the *Round Trip TA-Q-BIN* service

2000
Makes genuine entrance into the third-party logistics ("3PL") business

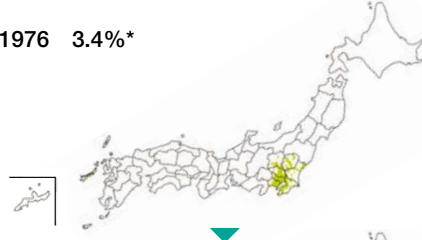
2002
Starts the *TA-Q-BIN E-Mail Notification* service
Begins *SD Direct Communication* service (currently the *Driver Direct* service)

2005
Starts *TA-Q-BIN Collect*, a comprehensive payment settlement service for mail-order dealers
Changes corporate name from Yamato Transport Co., Ltd. to Yamato Holdings Co., Ltd. following the transition to a pure holding company

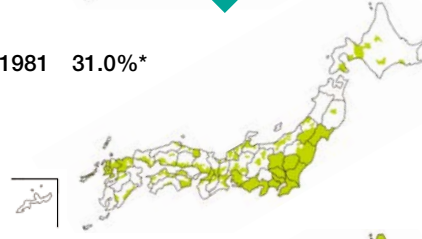
2008
Establishes Yamato Logistics Co., Ltd.

1997 Completes a Nationwide Network for the *TA-Q-BIN* Service

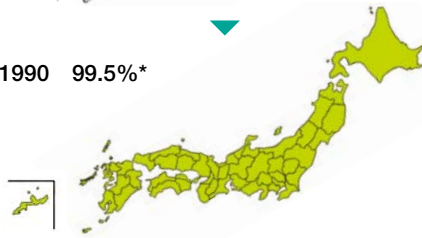
1976 3.4%*



1981 31.0%*



1990 99.5%*



* Area ratio

In 1981, five years after the launch of the *TA-Q-BIN* service, the Company's network had grown to cover 31% of mainland Japan, with an annual volume of approximately 30 million parcels. Meanwhile, the Company received daily requests from customers living outside its service areas to expand coverage.

Masao Ogura's original vision for *TA-Q-BIN* before its launch was for it to be a service that could handle parcels from all over the country and deliver them to any location.

However, what stood in the way of realizing this vision was the issue of route licenses. When Yamato Transport submitted applications for such licenses with the Ministry of Transport (now part of the Ministry of Land, Infrastructure, Transport and Tourism), the Company was met with opposition from local transport companies and dealt with delays within the Ministry of Transport in the processing of its applications. This made it difficult for the Company to receive the licenses it needed. Throughout this process, Masao Ogura made countless appeals for the *TA-Q-BIN* service, explaining that it is a service that

benefits consumers and not one that aims to take business away from local transport companies.

In this way, the Company battled with regulations while forming partnerships with local route operators and purchasing rights to operate on local routes, thereby expanding its service area. In November 1997, the Company completed its nationwide network for *TA-Q-BIN* with the commencement of service in the Ogasawara Islands (Chichijima and Hahajima).

2007 Starts *Kuroneko Members*—A Members-Only Service for Individual Customers

With the start of the *Time Zone TA-Q-BIN Delivery* service in 1998 and the *TA-Q-BIN E-Mail Notification* service in 2002, the Company pursued efforts to improve convenience for not only the people sending parcels but also the people receiving them. In 2007, the Company started the *Kuroneko Members* service, thereby making it even more convenient and easier for customers to use the *TA-Q-BIN* service.

In 2010, the Company commenced the *Kuroneko Members Designated Receiving TA-Q-BIN* service, which allows customers to select their desired receipt time as well as the method of receipt. Through this service, the Company shifted its support from "home delivery" to "personalized delivery," in accordance with the changing and diversifying lifestyles of customers.

For its service going forward, the Company aims to further improve convenience for its customers in such ways as promoting receipt of parcels at open-type parcel lockers (PUDO* Stations), which are set up across the country, and making it possible for customers to set delivery dates and receive delivery notifications via social media.



A *Nekomit* terminal at a store, which allows customers to print invoices

* Pick Up & Drop Off

Efforts toward the 3rd Innovation “Value Networking” Design

The Company has opened *gateways* and other new locations such as *Haneda Chronogate*, a comprehensive logistics terminal that connects Japan with countries overseas. In this manner, the businesses of the entire Yamato Group are moving forward into a new era.

2010

Starts the *TA-Q-BIN* service in Singapore and Shanghai

2011

Starts the *TA-Q-BIN* service in Hong Kong
Starts the *TA-Q-BIN* service in Malaysia

2012

Begins *Yamato Business Members*, a members-only service for corporations
Starts the *Total Logistics Support* service for medical equipment manufacturers

Completes construction of *Atsugi Gateway*

2015

Abolishes *Kuroneko Mail-Bin*
Launches *TA-Q-BIN Compact*, *Nekopos*, and *Kuroneko DM-Bin*
Commences combined passenger-cargo operations, which transports *TA-Q-BIN* via bus routes
Establishes *Southern Gate*, a global logistics center in Okinawa

2016

Completes construction of *Chubu Gateway*
Establishes PUDO Stations, which are open-type parcel lockers

Acquires PAS1018, an international standard for small-lot, chilled, and frozen delivery services

Commences *TA-Q-BIN* business in Thailand

2019

Completes construction of *Tokyo Global Logi Gate*

Commences joint trunk-route transport using the Super-Full Trailer SF25

Jointly develops Japan's first small-sized, commercial electric truck that specializes in home delivery

Successfully implements a functional verification test for the introduction of transport services that utilize electric vertical-takeoff-and-landing (eVTOL) freight aircraft

2013 Announces the “Value Networking” Design

In 2013, the Yamato Group announced the “Value Networking” Design. The reasons for this announcement were the significant changes occurring in the environment that surrounds the logistics industries, including the declining workforce in Japan, the rapid expansion of e-commerce, the progression of AI and digital technologies, which have impacted all kinds of industries, and the transition to borderless logistics. To shift the focus of logistics from “cost management” to “value generation” and to provide support not only to individual customers but also to corporate clients so that they can improve their productivity and international competitiveness in various business settings, the Company is pursuing efforts to reform the logistics operations of an even greater range of customers.

Begins Operations at the Comprehensive Logistics Terminal *Haneda Chronogate*

In 2013, operations commenced at *Haneda Chronogate*, which represents the Yamato Group's largest logistics terminal. *Haneda Chronogate* is located near important land, marine, and air terminals and serves as a base for swiftly connecting Japan with overseas countries, handling such tasks as customs clearance, customs bonding, and shipping. In addition, *Haneda Chronogate* actively serves as a location for providing value-added services that require speed, such as the cleaning and maintenance of medical equipment, and product assembly and repair.



Haneda Chronogate

2017 Commencing Operations of Three Gateways with the Opening of *Kansai Gateway*



Kansai Gateway

In November 2017, the Company commenced full-scale operations of *Kansai Gateway* in the Kansai region, which represents the economic and industrial center and largest consumer market of western Japan. By doing so, the Company realized frequent trunk-route transportation between the *Kanto*, *Chubu*, and *Kansai* gateways, which in turn has made it possible to offer customers logistics solutions for the management issues they face, including the integration of inventory storage locations and the adjustment of product inventories.

November 2019 Marks 100-Year Anniversary of Company's Founding

Yamato Group's Strengths

Long-Cultivated Competitive Edge

The Yamato Group has cultivated a unique and powerful competitive edge throughout the 100 years since its founding, and since the birth of the *TA-Q-BIN* service 43 years ago. As the Group moves forward, it will leverage this competitive edge to create new value for its customers, thereby realizing sustainable growth.

Competitive Edge
02

Robust Logistics Network and Touchpoints

Competitive Edge
01

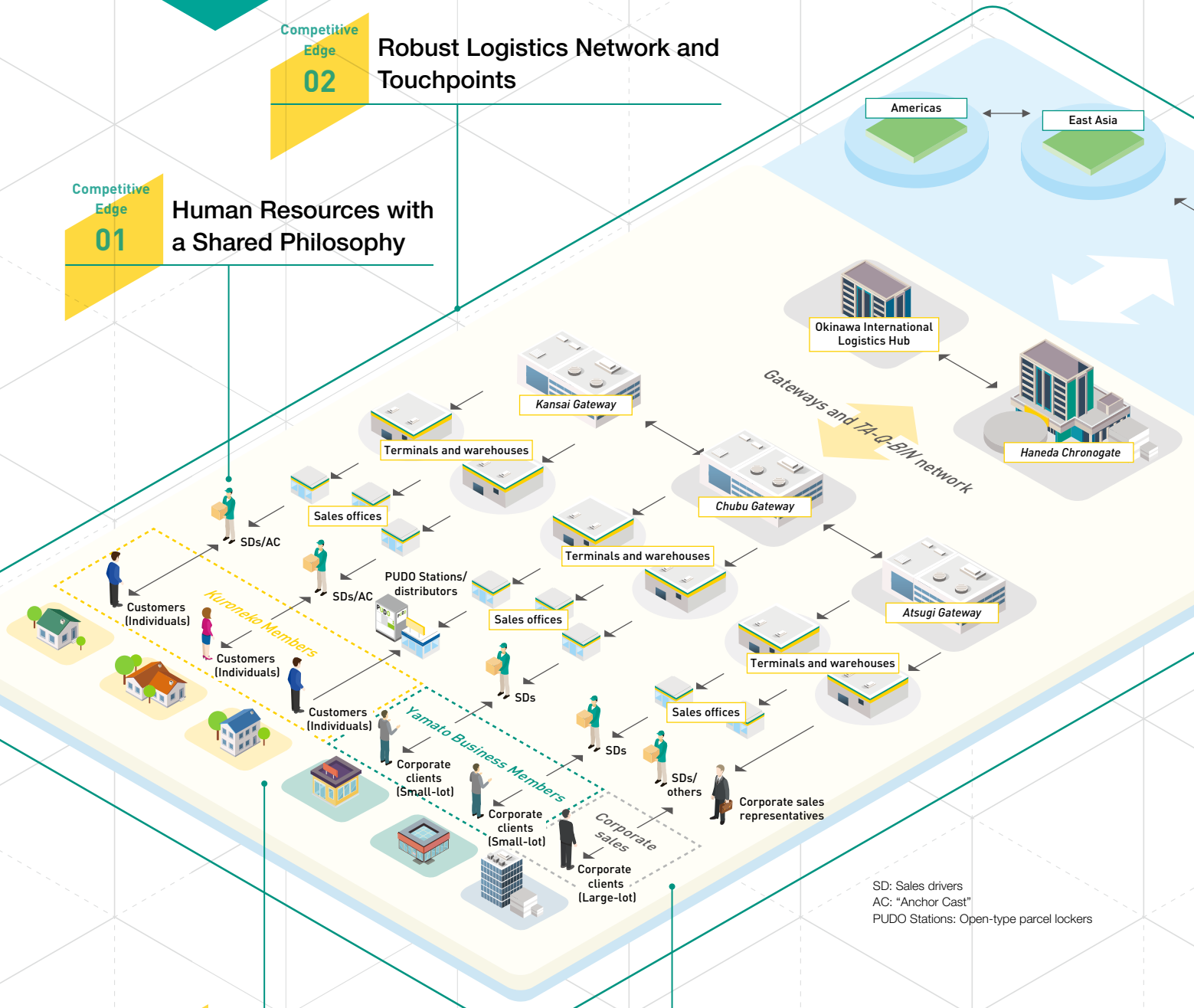
Human Resources with a Shared Philosophy

Competitive Edge
04

Unique Big Data

Competitive Edge
03

Vast Customer Base and Abundant Customer Contact Points



Competitive Edge **01**



Human Resources with a Shared Philosophy

Our human resources share a common philosophy, and work to provide services that make each and every customer happy. At the same time, we gather customer requests and concerns and leverage them to provide solutions and help resolve local issues.

Sales Drivers

Approx. **60,000**

Corporate Sales Representatives

Approx. **450**

Anchor Cast

Approx. **6,500**

Total Employees

Approx. **229,000**

Competitive Edge **02**



Robust Logistics Network and Touchpoints

Drawing on our nationwide logistics network, we make effective use of innovative core terminal and overseas cross-border networks in order to provide added value unique to the Yamato Group.

Domestic Network and Touchpoints

Approx. **70** terminals / Approx. **4,000** offices /
Haneda Chronogate / *Atsugi, Chubu, and Kansai gateways* /
Okinawa International Logistics Hub

Over **100** warehouses (approx. 30 integrated into terminals) / Approx. **55,000** vehicles /
 Approx. **180,000** TA-Q-BIN distribution centers /
 Approx. **4,900** PUDO Stations

Overseas Network

24 countries and regions /

8 PAS1018*-certified companies (including two domestic companies)

* International standard for refrigerated parcel delivery services

Competitive Edge **03**



Vast Customer Base and Abundant Customer Contact Points

We utilize our vast customer base and abundant customer contact points, cultivated through TA-Q-BIN and a variety of other services, to provide customer solutions and help resolve local issues.

Corporate Clients

Approx. **1** million companies

Individual Customers and Contacts

Approx. **5** million transactions per day

Competitive Edge **04**



Unique Big Data

We make use of a variety of cargo-related and other information acquired through our transport and delivery services to create new value, enhance services for our customers, and improve work productivity.

Kuroneko Members

Approx. **32** million

Yamato Business Members

Approx. **1.1** million

Note: Figures as of September 2019