



## **Announcement of Business Collaboration and Capital Alliance with GD Express Carrier Berhad of Malaysia.**

### **(Accelerate Asian Strategy by Strategic Investment in South East Asia)**

The Board of Directors of Yamato Holdings Co., Ltd. (Yamato Group, Head office: Japan, Representative Director: Masaki Yamauchi) at the meeting on January 21, 2016, has approved the business collaboration and capital alliance with GD Express Carrier Bhd. (GDEX, Head office: Malaysia, CEO: Teong Teck Lean), one of the leading parcel delivery companies in Malaysia.

#### 1) Background

- a) Yamato Group, introducing TA-Q-BIN services in Asian areas since 2010, have set out to provide the high quality and high value-added transportation service in which parcel delivery, logistics, and freight forwarding functions are integrated.
- b) With prospective benefits from both TPP and AEC, it is highly expected that a demand for South East Asia's intra-regional trade will be exponentially increased. By providing cross-border transportation services which is integrated with last-one-mile network throughout this region, we would like to promptly build a strong position in the market.
- c) To accelerate Yamato Group's growth in this region, we will actively make business alliance and execute cross-border M&A to establish parcel delivery network across ASEAN and to enhance freight forwarding and logistics functions.

#### 2) Main purpose of the business collaboration and capital alliance

- a) This alliance is a part of our comprehensive approach to accelerate Asia-centered strategy, and our first approach is to expand parcel delivery network in Malaysia.
- b) GDEX is a Malaysian logistic company listed in the KLSE with the second largest market share in the parcel delivery service industry. The company has established a nation-wide network for parcel delivery services in Malaysia, and achieved the highest profit margin in the industry. The company also managed to achieve significant growth in the B to B parcel delivery sector, having achieved huge growth compared to the other industry players.
- c) Yamato Holdings has a subsidiary in Malaysia, Yamato Transport (M) Sdn Bhd (YTM) which is also offering parcel delivery services "TA-Q-BIN" in Malaysia. In addition, YTM also offers chilled and frozen parcel delivery services "Cool TA-Q-BIN" and Cash-On-Delivery (COD) services "TA-Q-BIN Collect" in Malaysia. Its business is also achieving smooth growth in the country.
- d) Going forward, GDEX and Yamato Holdings believes that, a stronger partnership formed via business collaboration and capital alliance will enable both parties to capitalize on each other's strengths, and together expand to become the leading delivery company in Malaysia.

### 3) The key salient points of the business collaboration

#### a) Business collaboration – The scopes

- For the routes or areas not covered by YTM at the moment, YTM will cooperate with GDEX to leverage on GDEX's extensive network to offer wider coverage for YTM's customers.
- Cooperation on the linehaul operation between major centers to further improve efficiencies.
- Collaboration between both companies on cross border logistics between Malaysia and Singapore will be implemented.
- Collaboration on the business development in the ASEAN region.

#### b) Capital Alliance

Yamato Asia Pte. Ltd. (Yamato Asia, a 100% subsidiary of Yamato Holdings Co., Ltd.) is scheduled to subscribe to the new shares by GDEX. Upon completion of the subscription, Yamato Asia has the intention to acquire additional shares of GDEX for up to a total shareholding of 23% in the future.

- Total subscription amount: Ringgit Malaysia 217,314,774.00 (RM 1.74 per share)  
Shareholdings after subscription: 9.1%
- Yamato Asia will nominate one Director to GDEX's Board.

### 4) Company profile of Yamato Asia

Name	Yamato Asia Pte Ltd
Address	223 Mountbatten Road #01-07/08, Singapore 398008
Managing Director	Richard Chua Khing Seng
Major Business	Regional Head Quarters for ASEAN region
Paid-in Capital	S\$ 91,761,364

### 5) Company profile of GDEX

Name	GD Express Carrier Bhd.
Address	No. 19, Jalan Tandang 46050 Petaling Jaya, Selangor Darul Ehsan Malaysia
CEO	Teong Teck Lean
Major Business	Parcel Delivery Business, and other related business
Paid-in Capital	RM 61,816,413 as of January 20, 2016
Date of Foundation	1996
Shareholders	GD Express Holdings (M) Sdn. (30.60%) Affin Hwang Nominees (Asing) Sdn. Bhd. (26.66%) HSBC Nominees (Asing) Sdn. Bhd. (11.08%) Lau Wing Tat (4.25%) Leong Chee Tong (3.13%)

Fiscal year ended	June 2013	June 2014	June 2015
Total Equity	65,071,346RM	97,351,010RM	141,359,818RM
Total Assets	107,097,747RM	139,777,274RM	189,185,700RM
Net assets per share	0.25RM	0.12RM	0.11 RM
Revenue	135,153,851RM	158,702,731RM	196,751,424RM
Profit before tax	19,254,981RM	24,271,686RM	31,306,481RM
Profit for the year attributable to Owners of the Company	13,616,260RM	23,384,694RM	28,296,200RM
Earnings per ordinary share	1.73 sen	2.15 sen	2.43 sen
Dividends per share	1.125 sen	1.125 sen	1.000 sen

6) Schedule going forward

- a) Board of Directors Approval date : January 21, 2016
- b) Subscription Date for the New Issue of shares : January 21, 2016  
(tentative)
- c) Payment date for the New issue of shares : January 29, 2016  
(tentative)
- d) Registration of the New shares in Yamato-Asia's name : February 10, 2016  
(tentative)

7) Impact

This transaction will not have material impacts on the consolidated financial results of Yamato Group for the financial year ending March 2016.

End

[Inquiries]

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