



**YAMATO GROUP**



**February 28, 2017**

**Agreement between Yamato Group and 365 Trading Logistics to  
Establish a Joint Venture to Provide Cold Parcel Delivery Service in Vietnam  
Launch of High Quality Cold Parcel Delivery Service**

YAMATO ASIA PTE. LTD. (HQ: Singapore, CEO: Richard Chua Khing Seng, hereinafter referred to as “Yamato Asia”), and BA SAU NAM TRADING LOGISTICS J.S.C (HQ: Ho Chi Minh City, CEO: Dinh Vinh Cuong, hereinafter referred to as “365 Express”) jointly announce on February 28, 2017, that both parties have reached a general agreement to establish a joint venture company in Vietnam to provide cold parcel delivery service in Vietnam.

**1. Background and Purpose of Establishing the Joint Venture Company**

Vietnam’s economy is growing rapidly. Many manufacturing companies, including Japanese ones, have invested into the country, and set up manufacturing bases in the country as an alternative, or to complement their operations in China and Thailand. In addition, backed by a 90-million strong population with strong consumption demand, Vietnam’s economy is expected to accelerate even faster. As the group of rising middle-income earners expand, there is now also a heightened awareness and interest in food quality and safety. This has led to an increase in demand for Japanese food products and ingredients.

Yamato Group has built up a small parcel delivery network in ASEAN countries: this began with Singapore in 2010, Malaysia in 2011 and more recently, in Thailand in January 2017. At the same time, Yamato Group is also expanding our cross border logistics network in anticipation of a rise in regional trade that is led by the establishment of the ASEAN Economic Community framework. To catalyze Yamato Group’s regional logistics capabilities, we acquired OTL Group, a company that is headquartered in Malaysia and specializes in cross border overland trucking. In Vietnam, Yamato Group had established Yamato Logistics Vietnam Co., Ltd. in 2015 for businesses in logistics, freight forwarding, and international relocation services.

365 Express is a trading and logistics company under 365 Group that is headquartered in Vietnam. The company operates a variety of logistics-related businesses including transportation, customs clearance and trading. These support the Group’s other operations in restaurants, retail stores and real estate in Vietnam. In particular, 365 Express is able to provide import customs clearance for Japanese food products and ingredients, as well as delivery services to Japanese restaurants expeditiously.

A mutual agreement has been reached between both companies to establish a joint venture company for cold parcel delivery service in Vietnam. The joint venture company aims to provide and expand a high quality, small lot delivery service network in Vietnam, both for corporate and individual customers. Doing so can help to develop the cold parcel delivery market in Vietnam, as well as contribute to the leveling-up of food safety requirements.



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## 2. Joint Venture Overview

Yamato Asia and 365 Express will establish the joint venture company with 51% and 49% share contribution respectively. 365 Group will provide its knowledge for the domestic delivery market and trading logistics capabilities in Vietnam; Yamato Group will provide expertise in the area of cold parcel delivery based on accumulated experience in Japan to expand the business in Vietnam.

Company Name	Yamato 365 Express Co., Ltd.
Foundation	August, 2017 (TBD)
Service Launch Date	September, 2017 (TBD)
Capital	VND20 billion (JPY100 million)* <sup>1</sup>
Shareholders	YAMATO ASIA PTE. LTD. : 51% (VND10.2 billion / JPY51 million) BA SAU NAM Trading Logistics J.S.C : 49% (VND9.8 billion / JPY49 million)
Chairman	Dinh Vinh Cuong (BA SAU NAM Trading Logistics J.S.C Chairman* <sup>2</sup> )
General Director	Hiroshi Matsuda (Yamato Logistics Vietnam Co., LTD. General Director* <sup>2</sup> )
Main Business	Domestic cold parcel delivery in Vietnam

\*<sup>1</sup>Based on exchange rate of VND1,000=JPY5

\*<sup>2</sup>Concurrent appointment

## 3. Business Description

Yamato 365 Express will provide cold parcel delivery service for fresh produce and ingredients originating domestically from cities in Vietnam and those which are imported from Japan. Further details will be announced after the commencement of operations.

## 4. About Yamato Asia

Company name	YAMATO ASIA PTE. LTD.
CEO	Richard Chua Khing Seng / Managing Director
Capital	SGD352,921,364
HQ Address	223 Mountbatten Road #01-07/08, Singapore 398008
Business Function	Regional Headquarters Support for Group Companies in Southeast Asia

## 5. About 365 Express

Company	BA SAU NAM Trading LOGISTICS J.S.C ( 365 Express)
Foundation	June, 2006
Capital	VND50 billion (JPY250 million)
CEO	Dinh Vinh Cuong
HQ Address	Ho Chi Mihn City, Vietnam
Major Business	Forwarding, customs clearance, transportation and delivery, other general logistics service
Offices	All over Vietnam: 2 branches (Hanoi and Danang) and 7 representative offices
Employees	114 (as of December, 2016)



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## **6. Schedule**

- |   |                             |
|---|-----------------------------|
| (1) Execution of Joint Venture Agreement          | February 28, 2017           |
| (2) Incorporation of Joint Venture Company        | August, 2017 (tentative)    |
| (3) Service Commencement by Joint Venture Company | September, 2017 (tentative) |

## **7. Financial Impact**

This transaction will not have material impact on the consolidated financial results of Yamato Group for the financial year ending in March, 2017.

[For Further Inquiries, please contact the following personnel listed below]

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