

FOR IMMEDIATE RELEASE

October 25, 2016
Fujisawa SST Council
Yamato Holdings Co., Ltd.

Next Delivery SQUARE Opens in Fujisawa Sustainable Smart Town

Tokyo/Fujisawa, Japan – The Fujisawa SST Council and Yamato Transport Co., Ltd., a leading Japanese delivery service provider affiliated with Yamato Holdings Co., Ltd., today announced they will open the Next Delivery SQUARE in the Fujisawa Sustainable Smart Town (Fujisawa SST) on November 1, 2016. The new addition, which will serve as the comprehensive distribution infrastructure for the entire town, offers Japan's first centralized delivery service in a detached house residential area. Packages handled by different door-to-door delivery service providers will be gathered there and then delivered all together to each house. In March 2017, the Fujisawa SST Council, which is led by Panasonic Corporation, and Yamato Transport plan to introduce an ICT system to make the service eco-friendly and smart, supporting Fujisawa SST's sustainable community activities.

The new facility offers eco-friendly and smart distribution services, making it possible to deliver packages all together that used to be delivered separately by different courier companies.

This new service was approved today by the Ministry of Land, Infrastructure, Transport and Tourism as the first certified case in the country that falls under the revised Act of Logistics Integration and Efficiency^{*1}.

1. Background

Faced with a growing population, with an entailing increase in energy consumption, urban cities in Japan recently launched a host of projects on low-carbon and sustainable urban development.

At Fujisawa SST, which is a fully functioning lifestyle-oriented smart town, efforts are being made to build a town sustainable for the next 100 years by promoting sustainable smart lives with individuals involved in the town as well as by introducing new services and technologies.

In response to the diversifying needs for home deliveries, with lifestyles changing, Yamato Transport has been making efforts to enhance convenience for customers. The company has added convenience stores and open-type delivery lockers to its delivery points so that

customers can pick up their packages at their convenient time and location. Yamato's Kuroneko Members system also makes it easier for them to use the home delivery service.

In consideration of Fujisawa SST's environmental targets, Yamato Transport has decided to open a facility that fully supports community-oriented physical distribution. The facility utilizes the town's information network and works closely with the community, allowing for continuing evolution of a smart distribution infrastructure to underpin the town's development.

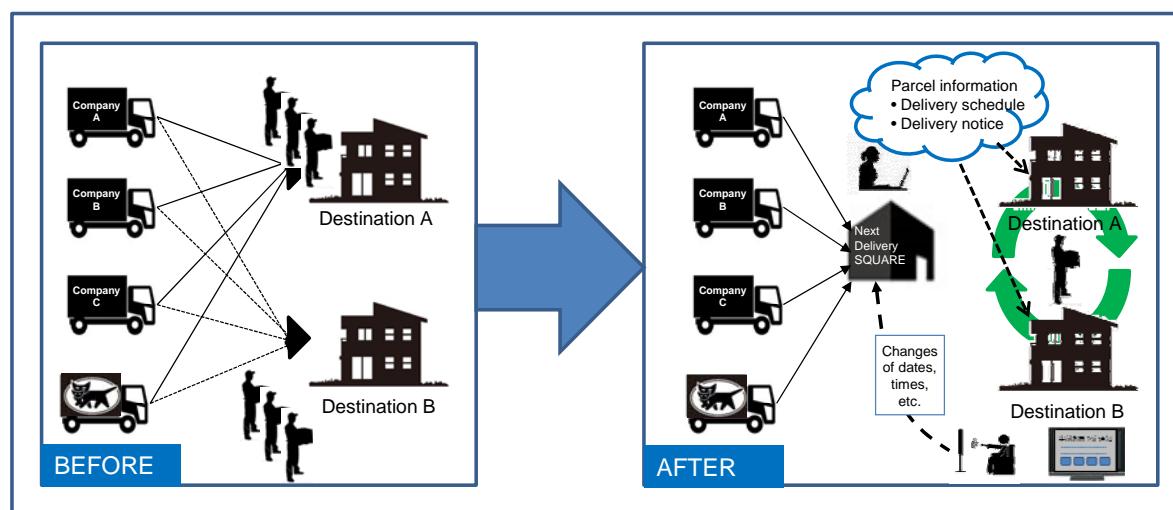
2. New initiatives

The Next Delivery SQUARE will provide services such as on-demand distribution and total life support that make lives more convenient, comfortable and secure, to help Fujisawa SST's progressive evolution toward a comfortable open town.

(1) On-demand distribution

Packages used to be delivered homes by different courier companies in the town. Now these packages will be brought together at the Next Delivery SQUARE and then Yamato Transport will make the delivery. Starting from March 2017, all parcel information will be consolidated and the day's delivery schedule or delivery notices will be sent to smart TVs installed in all homes in the town. Since residents are able to change delivery dates and times and designate delivery locations¹² on their TV screen, they can save time and trouble to contact individual courier companies and receive deliveries all together - realizing eco-friendly and smart home deliveries.

[Changes in deliveries]



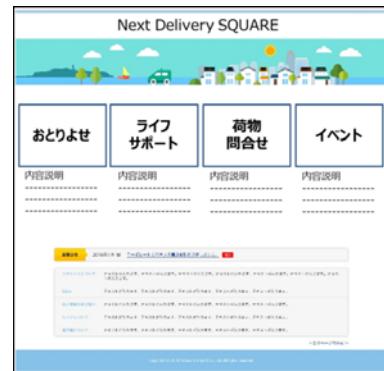
(2) Launch of a special Next Delivery SQUARE website

A special website will be set up to offer information on services supporting comfortable life such as deliveries of specially selected products and room cleaning, and on events organized

by the Next Delivery SQUARE. With useful information, such as the new same-day delivery service of fish straight from a nearby fishing port in Odawara, will be sent via Fujisawa SST's portal site to help make the residents' everyday living rich and convenient.

Other services available on the website:

- Same-day deliveries of food offered in the food section of the Fujisawa branch of Saikaya Department Store
- Services that make life easy and comfortable including furniture moving and room cleaning
- Deliveries of specially selected seasonal foods sent directly from the producers



[Website page sample]

(3) Community activities

Yamato Transport employees will provide the Next Delivery SQUARE's own traffic safety and work experience programs for children attending kindergartens and elementary and junior high schools located near Fujisawa SST, aiming to communicate traffic safety knowledge and the importance of work.



3. Eco-friendly delivery center

As a smart facility that will generate energy, the Next Delivery SQUARE will reduce CO₂ emissions by approximately 30% compared to those of Yamato Transport's existing distribution sites through the introduction of solar panels and LED lighting, and the use of low-carbon building materials. Yamato Transport will improve delivery efficiency by bringing packages from different courier companies to the SQUARE. The company will also improve safety by using power-assist bicycles to collect and deliver packages. Further, electric vehicles will be used to provide services in the surrounding community to address the environmental burden across the community.

Name	Next Delivery SQUARE
Address	6-10-10Tsujido-motomachi, Fujisawa City, Kanagawa Prefecture
Total floor area	477.07 m ² (warehouse: 205.58 m ² , office: 237.25 m ²)
Structure	Two-story reinforced concrete



Next Delivery SQUARE.

4. Future initiatives

Yamato Transport will establish a system that will enable customers to confirm the location of a driver delivering parcels and approximate time of delivery, and introduce unmanned equipment that enables parcel pickup even late at night. With the lives of each and every town resident in mind, the company will develop new ideas and build a distribution infrastructure that supports this smart town's sustainable development.

Notes:

*1. This is designed to boost modal shifts and joint distribution by by distributors, shippers and other parties concerned to consolidate and streamline distribution operations.

*2. Residents will be able to receive their parcels not only at home, but also at the Next Delivery SQUARE.

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Media Contacts:

Yamato Transport Co., Ltd.

Department of Strategic Public Relations Tel: +81-(0)3-3248-5805

Panasonic Corporation

Public Relations Department Tel: +81-(0)3-3574-5664 Fax: +81-(0)3-3574-5699