



25th August, 2016

Siam Cement Group and YAMATO Group agreed with setting up a joint venture which operates small parcel delivery business within Thailand

~The third network construction of small parcel delivery in Southeast Asia~

The Siam Cement Public Company Limited-owned SCG Cement-Building Materials Co., Ltd. (Head office : Bangkok, CEO : Pichit Maipoom) and YAMATO HOLDINGS Co., Ltd-owned, a regional headquarters, YAMATO ASIA PTE. LTD (Head office : Singapore, CEO : Richard Chua Khing Seng) report that both reached an agreement with setting up a joint venture which operates small parcel delivery business within Thailand on 25th Aug.

※SCG=Siam Cement Group

1. The background and the purpose of the establishment

Now Thailand holds a prominent position as a manufacturing base especially in Southeast Asia in which auto manufacturers and electronics manufacturers from around the world build factories. At a time, along with the popularization of smartphone, the E-commerce market shows remarkable growth and trade among individuals as represented by market place merchants assists the number of small parcel delivery to increase.

SCG is a conglomerate company which is No. 1 on the sales revenue in the cement industry of Thailand. It has widely been developing businesses of cement and building materials, chemicals, packaging, distribution and logistics and others. It ranks fifth in total stock market capitalization in Thailand. It is one of the time-honored companies, whose largest shareholder is the crown property bureau from the beginning of its start, has played a central role in economic growth of Thailand and marked its 100th anniversary in 2013. It also has experienced setting up joint ventures with other Japanese-affiliated companies.

On the other hand, YAMATO group has been improved its small parcel delivery network in each ASEAN country after launching the TA-Q-BIN business in Singapore in 2010, and in Malaysia in 2011. At a time, to cross border logistics expected to increase against a background of the start of AEC, it has also developed its cross border business in addition to its logistics business in each country.

Today, both companies have reached an agreement with setting up a joint venture which operates small parcel delivery business within Thailand and are willing to contribute to realize more convenient and more comfortable society for both corporations and individuals through the expansion of small parcel delivery network.



2. Overview of the joint venture

The joint venture is going to be set up by 65% investment from SCG Cement-Building Materials Co., Ltd. and 35% investment from YAMATO ASIA PTE. LTD. We are willing to develop the business with combining nationwide B2B transportation network of SCG with TA-Q-BIN Know-How YAMATO group has fostered in Japan.

Details are to be explained at the joint news conference held on a day after October.

Company name	SCG Yamato Express Co., Ltd.
Date of establishment	Oct, 2016
Business commencement	Jan, 2017
Capital fund	633 million Baht (1,893million Yen)
Shareholders and investment ratio	SCG Cement-Building Materials Co., Ltd. : 65%(411 million Baht / 1,230 million Yen) Yamato Asia Pte., Ltd : : 35%(222 million Baht / 663 million Yen)
Listed/unlisted	Unlisted
Business lineup	Small parcel delivery in Thailand and others

※ 1 Baht=2.99Yen

3. The detail of the business

Details are to be explained at the joint news conference held on a day after October.

We will announce the specific date and place.

4. About the subsidiary

Company name	YAMATO ASIA PTE. LTD.
Representative	Richard Chua Khing Seng / Managing Director
Capital fund	S\$352,921,364
Head office location	223 Mountbatten Road #01-07/08, Singapore 398008
Business lineup	Region control of the business in Southeast Asia

5. About SCG

(1)SCC

Company name	The Siam Cement Public Company Limited (Holding company)
Representative	Roongrote Rangsiyopash President & CEO
Foundation	1913
Capital fund	243,006 million Baht (726,588 million Yen)
Listed/unlisted	25 th Apr, 1975 SET
Share price	520 Baht ※as of 17th August, 2016 (1,555 Yen)
Outstanding shares	1,200 million shares



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Total market value	624 billion Baht (1,865,760 million Yen)
Shareholders	THE CROWN PROPERTY BUREAU 30.756% THAI NVDR CO., LTD. 7.835%
Head office location	1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand
Business lineup	Cement and building materials, chemicals, packaging, and distribution and logistics (whole of the group)
Developing area	Thailand, Indonesia, Vietnam, Laos, Cambodia, Myanmar, Philippines, Malaysia and Singapore (whole of the group)
Sales revenue	439,614 million Baht (1,314,446 million Yen) (group total)
Net profit before income tax	45,400 million Baht (135,746 million Yen) (group total)
Employee	53,096 (group total)

※ 1 Baht = 2.99 Yen

(2) SCG Cement-Building Materials Co., Ltd.

Company name	SCG Cement-Building Materials Co., Ltd,
Representative	Pichit Maipoom (President, SCG Cement-Building Materials)
Foundation	1998
Capital fund	82,734 million Baht (247,375 million Yen)
Shareholders	The Siam Cement Public Company Limited 100%
Head office location	1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand
Business lineup	Manufacturer, supplier and distributor of cement and related building materials
Developing area	ASEAN Market
Sales revenue	178,988 million Baht (535,174 million Yen)
Employee	39,062

※ 1 Baht = 2.99 Yen

6. Schedule

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| (1) The date of the corporate resolution | 25 th Aug, 2016 |
| (2) The contract day of the JVA | 8 th Sep, 2016 |
| (3) The date of establishment of the JV | Oct, 2016 |
| (4) The date of the business commencement | Jan, 2017 |

7. Prospects

The effects this matter will have on consolidated financial results for the fiscal year ended March 31st 2017 are minor.



【Reference】 About the global strategy of YAMATO group

YAMATO group has started TA-Q-BIN service in each Asian country from 2010 and has been engaged in providing high quality and high value-added logistics service unifying small parcel delivery network and warehousing and forwarding in Asian area.

Especially in Southeast Asia, not only trade but also intraregional logistics has a better chance to expand the need against a background of TPP and AEC. We YAMATO will swiftly go ahead with the construction of small parcel delivery network and functional enhancement of forwarding and warehousing by affirmative alliance or M&A for the purpose of early establishment of the stable position by our logistics service which has strong last one mile network around the Southeast Asia.

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