

At a Glance

Segment

Business Description

Delivery

The Delivery business covers a diverse array of services, including *Takkyubin*, *Cool Takkyubin*, *Collect Service*, and *Kuroneko Mail*. Except certain regions, *Takkyubin* next-day parcel delivery service is available throughout Japan. Yamato Transport also operates a secure parcel tracking system, allowing the Company to manage parcel shipping status and realize high-quality service.

BIZ-Logistics

The BIZ-Logistics business encompasses an infrastructure that enables Yamato Transport to offer logistics services fully linking Japan and locations overseas. These services include international marine forwarding, air-freight forwarding, logistics, and packing. Through the BIZ-Logistics business, Yamato Transport provides customers with optimized logistics systems according to their needs.

Home Convenience

The Home Convenience business combines moving services and merchandise marketing, aligning these services to meet diversifying customer needs. Moving services are aimed at families and individuals, and offers moving services for handling individual pieces of furniture and a range of other moving-related customer services. Meanwhile, merchandise marketing involves online sales and other services.

e-Business

Leveraging know-how accumulated over the course of Yamato Transport's operations, the e-Business segment is involved in outsourced information processing, as well as the operation and management of computer systems.

Financial

The Financial business includes financial services targeted at business customers and consumers, such as settlement and collection and leasing business.

Performance

In this business, Yamato Transport took steps during the past year to further improve the convenience of its *Takkyubin* services and delivery quality by launching “Mail Notification” and “Driver Direct” services. As a result, during the year under review, overall delivery volume climbed 5.1% year on year to 1,063 million units. In *Kuroneko Mail*, total handling volume climbed substantially by 44.1% year on year to 1,432 million parcels, driven by stronger sales initiatives, including increasing the number of service counters. Moreover, in November 2004, Yamato Transport commenced delivery of Deutsche Post Global Mail parcels destined for Japan. Aggressive marketing efforts of this kind helped lift operating revenues in the Delivery business 3.9% to ¥866,752 million.

On April 1, 2004, the logistics operations of Yamato Transport were spun off and merged with Yamato Logistics Co., Ltd. This was followed on October 1 the same year with a merger between Yamato Logistics, Yamato Global Freight Co., Ltd. and Yamato Parcel Service Co., Ltd. in a bid to further boost efficiency and provide an integrated menu of comprehensive domestic and international logistics services. These efforts resulted in operating revenues of ¥110,691 million, up 22.7% from the previous fiscal year.

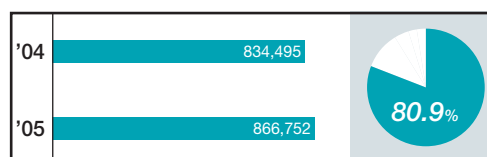
Following a review of the product and service lineup, steps were taken to enhance sales initiatives in this business, which included revamping of the entire lineup in December 2004. In the Re-use business, online sales commenced as part of a drive to develop new sales channels, while proactive marketing measures in merchandise marketing saw Yamato Transport bolster sales of its original “*Tokusen Ichiba*” (Special Select Market) brand, among other actions. As a result, operating revenues increased 1.8% to ¥43,384 million.

In the course of offering an array of services in logistics and settlement, Yamato Transport enacted initiatives that switched this business from an on-premise business format to one focused on the provision of solutions. New services were also unveiled, among them information security consulting services launched in November 2004. The result was an increase in operating revenues of 15.9% year on year to ¥24,432 million.

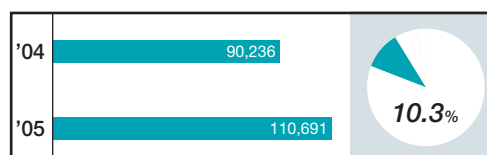
Since April 2004, this business has marketed a new settlement service, “*Collect Split Service*”, in parallel with a marketing campaign to boost usage of *Collect Service*. These and other vigorous marketing efforts drove operating revenues 16.2% higher to ¥26,644 million compared to the previous fiscal year.

Operating Revenues and Operating Revenues Composition

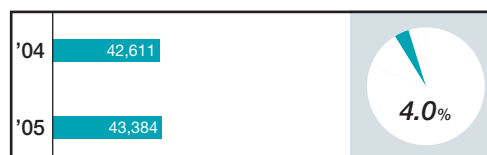
Operating Revenues (¥ millions)



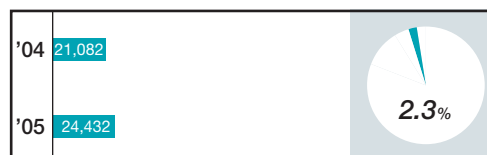
Operating Revenues (¥ millions)



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