

Highlights of the Year

Yamato Launches International Mail Delivery Service

As the deregulation of postal services gains pace and the world becomes increasingly borderless, the quality of Yamato's *Kuroneko Mail* is becoming better known internationally. Against this backdrop, Yamato developed its relationships with international partners, and in November 2004, commenced *Kuroneko Mail* domestic delivery of items originating overseas. Then, in July 2005, Yamato launched the *Kuroneko International Mail* service, delivering mail from Japan to overseas destinations.

Going forward, the Group will make the most of its capabilities in expanding and upgrading its extensive lineup of value-added services, with the ultimate aim of making *Kuroneko Mail* and its related services available to still more customers worldwide.

New Credit Card Settlement Service for Collect Service

The Yamato Group introduced new payment options for *Collect Service* that allow customers to use cash, credit card, or debit card starting April 2005 in selected areas of the Kanto region and in all parts of Japan since July 2005. This alternative to the usual cash-on-delivery payment method for *Collect Service*, is a response to accommodate the need for more payment options from both sending and receiving customers, who have become more accustomed to using credit cards and debit cards in recent years.

By allowing customers to choose from cash, credit card, and debit card, the new *Collect Service* has eliminated the burden of preparing cash in advance to receive packages. The new service also gives senders the flexibility of using any one of 12 major credit cards for payment. This can be done once the sender enters into a *Collect Service* agreement with Yamato and passes the credit card company's screening process. Application for the screening process will be handled by Yamato Financial Co., Ltd. on the customer's behalf. We are confident that this innovation will improve convenience for both package senders and their customers, boost mail-order businesses, and ultimately expand the scope of the *Takkyubin* services.



Establishment of Yamato International Logistics Co., Ltd. in Guangzhou, China

As a measure to conduct a global logistics business strategically focused on services within China, Yamato established Yamato International Logistics Co., Ltd., a locally incorporated company located in Guangzhou, China. The company's operations began in April 2005. As a growing commercial city second only to Shanghai, Guangzhou offers exciting business prospects for market expansion, as seen in the rapid emergence of high-tech and automobile companies in the area. Seizing opportunities created by this development, Yamato is offering logistics services geared to collect products and components manufactured in various areas of China for export to Japan and deliver them within Japan using the *Takkyubin* network. In addition, Yamato delivers components procured within Japan to Japanese companies located in China.



Purchase of Fine Credit Co., Ltd. and World Computer Center Co., Ltd.

In April 2005, Yamato purchased the stocks of Fine Credit Co., Ltd. and World Computer Center Co., Ltd. to acquire them as subsidiaries. As a measure to bolster the functions and services of the Financial business, the Yamato Group aims to diversify settlement methods for greater customer convenience, especially collection and settlement agent businesses and advance payment services tailored to medium and small companies. To this end, the Group acquired the stocks of Fine Credit and World Computer Center. Going forward, Yamato will combine their functions with those of other business formations to devise and offer higher value-added services across the Group.