

Delivery



Masaki Yamauchi

Representative Director,
President and Executive Officer of Yamato Transport Co., Ltd.

Guided by its basic corporate philosophy of “Total Reliability,” the Delivery Business utilizes the business resources of the Group in the Japanese and overseas markets to pursue business development that improves convenience in customers’ lives. In the Japanese market, the Delivery Business aims to establish an overwhelming competitive advantage over rivals through various measures. These include evolving our products and services, reinforcing our ability to propose commercial distribution solutions, and addressing local revitalization needs. In overseas markets, the Delivery Business aims to expand its *TA-Q-BIN* business in Asia and develop and cultivate services that streamline domestic and international transportation services.

Review of Fiscal 2013

In the Delivery Business, our basic strategy for the second year of our medium-term management plan, DAN-TOTSU Three-Year Plan HOP, was to build a foundation for further growth and on this basis we worked to strengthen sales capabilities in the small lot commercial distribution sector, our core revenue base, and reinforce sales of solutions built on the consolidated strengths of the Yamato Group.

As a result, in the rapidly growing e-commerce market, we capitalized on our lineup of strategically differentiated products that offer added-value and utilize the Group’s management resources, specifically our nationwide network that extends the “last mile” to customers, to acquire new customers and boost deliveries from existing customers. This led to record-high handling volume for *TA-Q-BIN* services.

Handling volume for *Kuroneko Mail* declined owing to stricter policies on parcel acceptance in keeping with our compliance commitment and stiffer competition.

We drew on part-timers in what we call our *field cast* and team-based approaches to concurrently deliver parcels during times when customers were most likely to be home, as we worked to improve delivery quality and productivity.

At the same time, we worked to improve the accuracy of work volume projections and to rightsize our workforce. As a result of these and other efforts, operating revenues rose 1.3% year on year to ¥1,028,219 million, and operating income was up 2.3%, to ¥41,908 million.

In the Japanese market, in order to meet the diversifying needs of customers with high-quality services, for corporate customers in particular, we offered solutions such as *Yamato Business Members* utilizing the *TA-Q-BIN* network and other Yamato Group functions. At the same time, for individual customers, we ran the *Kuroneko Point Campaign* to build closer relationships with members of the *Kuroneko Members* service. Moreover, to further raise convenience levels for people receiving parcels, in addition to our existing service that allows pickup at stores offering *TA-Q-BIN* services, we began a service that allows people to choose a convenience store in advance as the pickup location when they purchase a mail-order product. In addition, use of our shopping delivery service, health and well-being confirmation service and other services created in partnership with local governments also increased nationwide, as further progress was made on building *lifetime lifestyle support platforms*.

In the overseas market, as goods, money and information have become increasingly borderless with the integration of the Asian economic zone, there has been increasing need for quick, safe and secure delivery services that connect all of Asia, including Japan. We have responded by developing the *TA-Q-BIN* business in Shanghai, Singapore, Hong Kong and Malaysia. Products and services we have honed in Japan, such as *Cool TA-Q-BIN*, *TA-Q-BIN Collect* and *Time Period Delivery* services, are gradually gaining acceptance in other countries and regions where we are now operating, as services continue to expand in the Asian zone. In November 2012, we launched a service that enables next-day delivery from Japan to other parts of Asia with 24-hour customs clearance at our *Okinawa International Logistics Hub*, putting in place a new Asian door-to-door integrated delivery platform.

Strategies for Fiscal 2014

As a result of the Japanese market contracting due to the aging population and low birthrate and to acceleration in global competition, there has been increasing demand among Japanese companies in connection with operational efficiency, the provision of higher added-value products, and overseas market development. At the same time, domestic consumers currently have a mixture of needs that reflect ongoing diversification in lifestyles. There is both the need mainly among young people for highly convenient services in line with their personal lifestyles, and the need mainly among elderly people for highly conscientious and friendly services.

Amid such conditions, in fiscal 2014, the final year of our medium-term management plan, DAN-TOTSU Three-Year Plan HOP, we will provide innovative solutions with the goal of being one of Japan’s most recognized, most appreciated companies.

1. Reforming Logistics with Value Networking

In the area of corporate solutions, we will develop advanced solutions to help companies make breakthroughs in their logistics systems by combining networks for same-day inter-city delivery and next-day delivery to Asia with advanced logistics at distribution centers, under the *value networking concept*. Logistics innovation will be promoted with priority not only on the sender (supply) side, but also from the standpoint of the demand chain to identify needs on the receiver (procurement) side. For example, in the B2C market, we will utilize the *Free Rack Auto Pick System (FRAPS)* to provide solutions that keep costs and inventory from increasing and disperse inventory to radically shorten lead times from order to delivery. These solutions will make it possible for even smaller mail-order companies with local inventory to provide delivery speeds and quality equivalent to large mail-order enterprises as well as improve convenience for their customers. In the B2B market, we will provide solutions for integrated, global just-in-time delivery and procurement via cross-merge functions to shorten lead times and reduce inventory on both the supply and procurement sides.

In addition, we will start an *international Cool TA-Q-BIN* service to expand sales channels for fresh, high-quality Japanese food in Asia and to directly tie producers all over Japan with customers in Asia through highly competitive short lead times and refrigeration technology. We will begin in Hong Kong and then gradually expand to other countries. In parallel, we will work to further develop collection and delivery networks in individual countries and carry out initiatives to improve delivery quality.

2. Responding to Diversifying Lifestyles and Providing Lifetime Lifestyle Support Platforms to Contribute to Society

In the area of consumer solutions, we will increase the flexibility of parcel pickup in order to make it more convenient to receive deliveries. In addition to prior notification of scheduled deliveries via e-mail and the ability to change delivery times online, we will broaden the range of pickup locations to accommodate the increasingly diverse lifestyles of consumers.

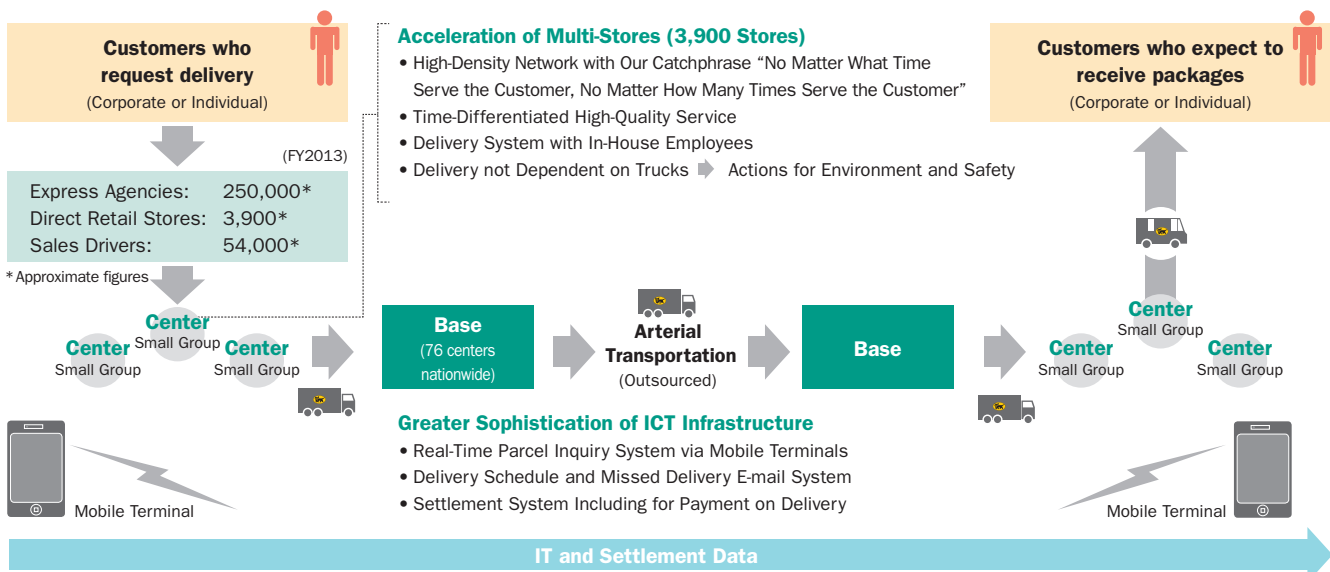
For consumers outside of major urban centers, we will develop services for making daily life more convenient in partnership with the government, municipalities and other companies. Our shopping delivery service and service for confirming the health and well-being of people when *TA-Q-BIN* deliveries are made, which were created in partnership with social welfare councils, local merchants and other organizations, have already begun to spread across the country. We intend to create business models for these types of programs to establish *lifetime lifestyle support platforms* capable of creating value for society on a permanent basis.

3. Establishing Business Foundations for Highly Efficient Management

At the same time as creating new solutions in this way, we will establish business foundations for highly efficient operations. We will look first at the entire Yamato Group and then begin revamping business site locations and reforming work flows in each division to improve administrative efficiency and optimize personnel assignments.

And, clearly recognizing that our employees are the source of our competitive advantage, we will work to refine personnel systems and hiring practices and further enhance employee training and internal communication.

TA-Q-BIN Services





Hitoshi Kanamori

Representative Director,
President and Executive Officer of Yamato Logistics Co., Ltd.

The BIZ-Logistics Business aims to amaze and satisfy its customers and the consumers of their products and services by exceeding all customers' expectations. The business realizes this goal by providing innovative logistics solution models from the perspective of users, combining logistics and international transportation capabilities with the *TA-Q-BIN* network and other management resources of the Yamato Group.

Review of Fiscal 2013

In fiscal 2013, operating revenues increased 5.2% from a year earlier to ¥86,807 million, and operating income rose 11.8% to ¥4,095 million. This was mainly due to steady growth in the medical equipment-related service and other logistics businesses, as well as services for the mail-order industry centered on Japan.

One domestic initiative during the year under review was to materialize the new concept of “inventory free” using the *FRAPS (Free Rack Auto Pick System)*. Unlike conventional logistics operations requiring storage, this approach allows us to use the *TA-Q-BIN* network to achieve the fastest delivery regardless of where inventories may be. Through this service, we will help client companies to expand sales by reducing delivery lead time to consumers, in addition to reducing their trading inventories.

One overseas initiative during the year under review was to begin providing companies conducting auctions in the U.S. with logistics services incorporating advanced expertise from Japan. By introducing operations using digital devices, we improved the efficiency of shipment work by 50%, while reducing human error during the picking process by half. By helping client companies to enhance their operations and improve quality, the BIZ-Logistics Business has helped them to achieve higher levels of consumer satisfaction.

By providing services from the standpoint of consumers, the BIZ-Logistics Business will constantly drive logistics solutions advances by customer and region to steadily expand its domain.

Strategies for Fiscal 2014

Fiscal 2014 is the final year of our medium-term management plan DAN-TOTSU Three-Year Plan HOP. Guided by our slogan of “LOGINNOVATION,” which encapsulates our goal of achieving logistics innovation, we will work to create higher value-added solutions.

In domestic business, we aim to provide services that facilitate even more convenient and comfortable lifestyles in new business fields by creating business models ahead of the government's growth strategies.

In the medical field in particular, the BIZ-Logistics Business will establish a Medical Platform providing a one-stop solution specializing in the medical field with operations based in the Kobe Special Medical Zone. In doing so, the BIZ-Logistics Business aims to contribute to the development of medical technologies such as regenerative medicine and preventive medicine.

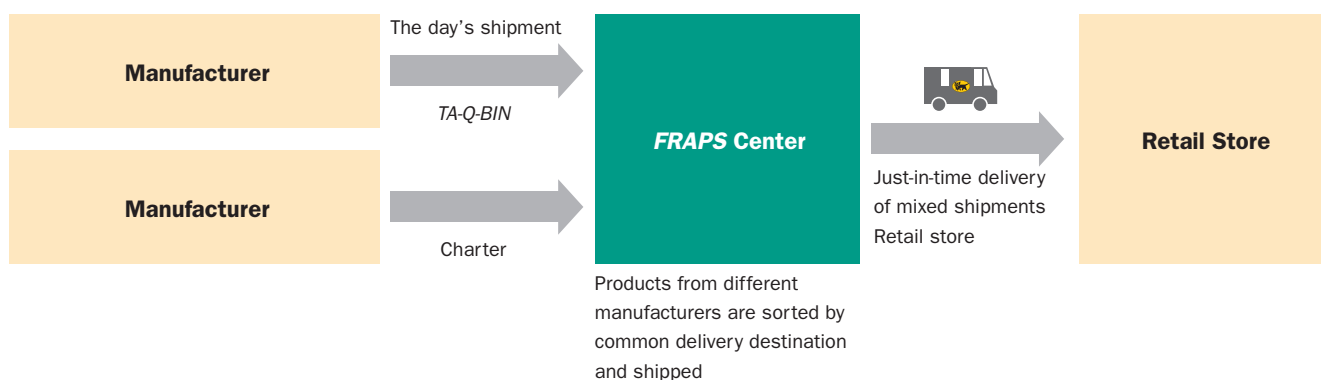
The BIZ-Logistics Business also aims to supply even higher value-added services by combining its information technology (IT), logistics technology (LT) and financial technology (FT) with *Atsugi Gateway* and *Haneda Chronogate*, which will open in FY2014 as hubs linking Japan and overseas. The BIZ-Logistics Business will also provide Cross Merger Delivery, which is a service designed to raise the efficiency of product distribution without increasing costs or inventories, and the Distributed Inventory-based Fast Direct Sales service, which combines “inventory free” with reduced delivery time. Through these services, the BIZ-Logistics Business aims to further amaze and satisfy its customers and consumers.



FRAPS

The BIZ-Logistics Business will contribute to the realization of a prosperous society, bringing “INNOVATION to LOGISTICS” by fusing the management resources of the Yamato Group organically.

FRAPS



Home Convenience



Atsushi Ichino

Representative Director,
President and Executive Officer of Yamato Home Convenience Co., Ltd.

In the Home Convenience Business, we provide lifestyle support services that help eliminate inconveniences at home, along with moving services and home furnishing delivery and assembly and installation services. In addition, leveraging our networks, we provide a range of solutions to corporate customers in both the private and public sectors to support sales growth and help reduce costs.

Review of Fiscal 2013

In fiscal 2013, which was the second year of DAN-TOTSU Three-Year Plan HOP, we actively engaged in product development and sales promotions while we worked to reform our cost structure and strengthen management quality.

In services for individual customers, we launched the *Single-person Moving Mini Type* service in combination with convenient and open-ended rentals of home furnishing essentials, with the aim of catering to a trend in which single people are taking fewer belongings with them when they move. We also provided same-day services to complete the move in one day. This has helped to differentiate ourselves substantially in the market for moving single persons. Television commercials and other advertising were also strengthened in an effort to raise recognition of our moving services.

Moreover, we launched a convenient house cleaning service for customers wishing to tidy their living space trouble-free, and an estate organization service for the

peace of mind of customers with the need to organize the personal belongings of someone who has passed away. These services were very well received by customers with a shortage of time or manpower.

In services for corporate clients, we marketed our comprehensive logistics support service to businesses involved in eco-home related equipment such as home power generators and storage batteries. This service offers end-to-end support covering import procedures, parts merging, advance site surveys, delivery, set up, installation, inspection and repairs. As a result, we were able to greatly increase our handling volume. At the same time, we achieved rapid growth by expanding the scope of this service to include businesses in IT devices, office equipment, kitchen appliances and more.

We also launched a mail order service drawing on our capabilities cultivated for over 20 years in procuring local produce from all over Japan. This service, used by many customers, was launched mainly to help corporate clients improve customer footfall, or to order produce to enhance their employee benefit programs.

Revenues from new services increased as a result of the initiatives above. However, our volume zone in *Household TA-Q-BIN* for delivering mainly television set purchases diminished. This was owing to consumer demand for television sets waning after expiration of Japan's home appliance Eco Points program and the switch to digital terrestrial broadcasting. As a result, operating revenues declined 6.5% year on year to ¥44,602 million. In terms of expenses, we reduced fixed costs, including facilities-related costs by consolidating sites, and administrative personnel expenses by automating office processes, while also reining in variable costs, such as contract vehicle expenses by improving the productivity of our own fleet. However, this was not enough to offset the decline in revenue, and we recorded an operating loss of ¥527 million.

Strategies in Fiscal 2014

This year, which is the final year of DAN-TOTSU Three-Year Plan HOP, we intend to further expand our business domain to secure growth into the future. Our focus in particular will be on lifestyle support services. In this modern society it is

now easy to conduct various procedures and make purchases from home thanks to advancements in IT and delivery networks. Consumption in the privacy of one's home will continue to increase going forward, and it will not only be to simply eliminate inconvenience but to establish lifestyles tailored to individual preferences. There will also likely be acceleration in demand for services performed by third parties as customers seek to make more effective use of their own time. The Yamato Group can reach customers at their homes all over Japan. We also have the capability to deliver packages whether large or heavy, as well as the capable technicians to conduct electrical installation and other work. Utilizing this network, we intend to provide services that both eliminate inconvenience within the home and help individuals realize their own aspirations.

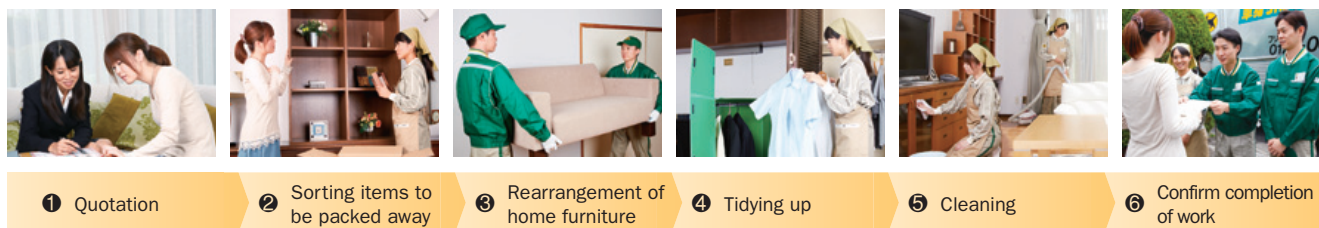
In addition, we will expand the adaptation of our network to corporate clients. Along with our traditional office relocation service, we will provide clients with a total package that

includes taking care of their office layout design, the arrangement of required fixtures, and measures for environmental care and disaster preparedness. In particular, we intend to help small- and medium-size companies break the bottleneck they often experience in economies of scale by bundling their demand and providing them with business structures and cost reductions that would have not been possible individually.

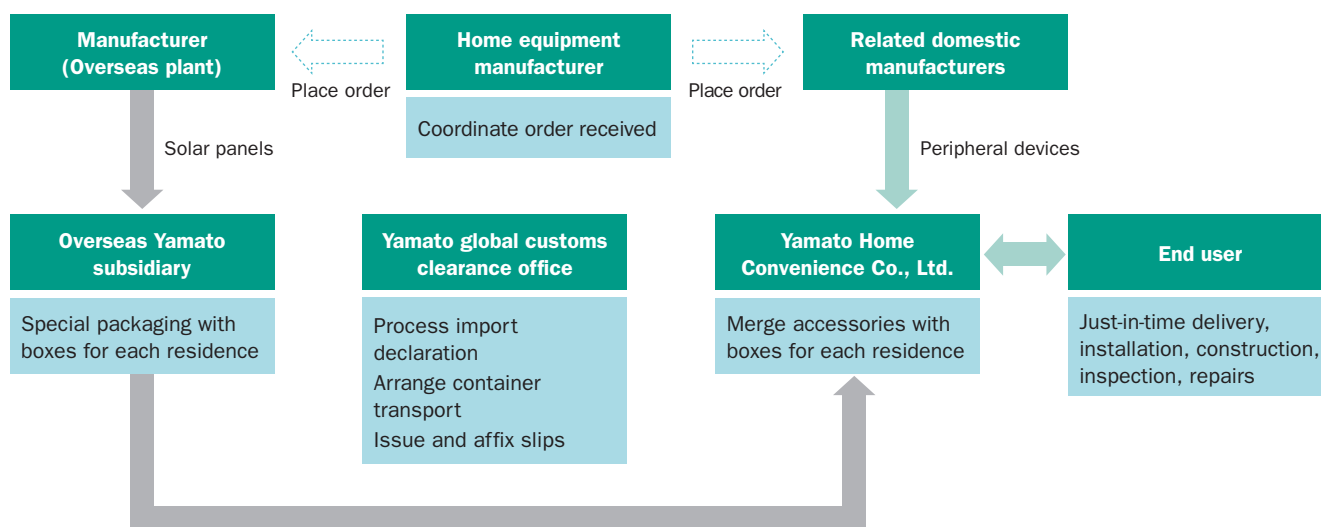
The above lifestyle support services and corporate activity support services have the effect of increasing our average daily workload. And by smoothing out the downtime, they help raise productivity and contribute to structural improvements in profitability. We will also continue to reduce administrative costs and reinforce controls on variable expenses as we work to ensure stable, sustainable profits.

We are a company that will continue to be needed by society and we intend to develop services that are appreciated by customers and further raise our corporate value.

Services for Individual Customers (*Raku Raku Okatazuke Pack*) (Convenient House Cleaning Service)



Service for Corporate Customers (Solution Model for Eco-Friendly Home Equipment)





Kenji Minaki

Representative Director,
President and Executive Officer of Yamato System Development Co., Ltd.

The e-Business is involved in a range of information services for corporations, including Application Service Provider (ASP) services and information system development.

Using Information and Communication Technology (ICT), the e-Business works in partnership with customers in promoting efficient business processes. Based on these services, the e-Business provides solutions for potential

business problems and proactively proposes solutions that result in sales growth and cost reductions for customers.

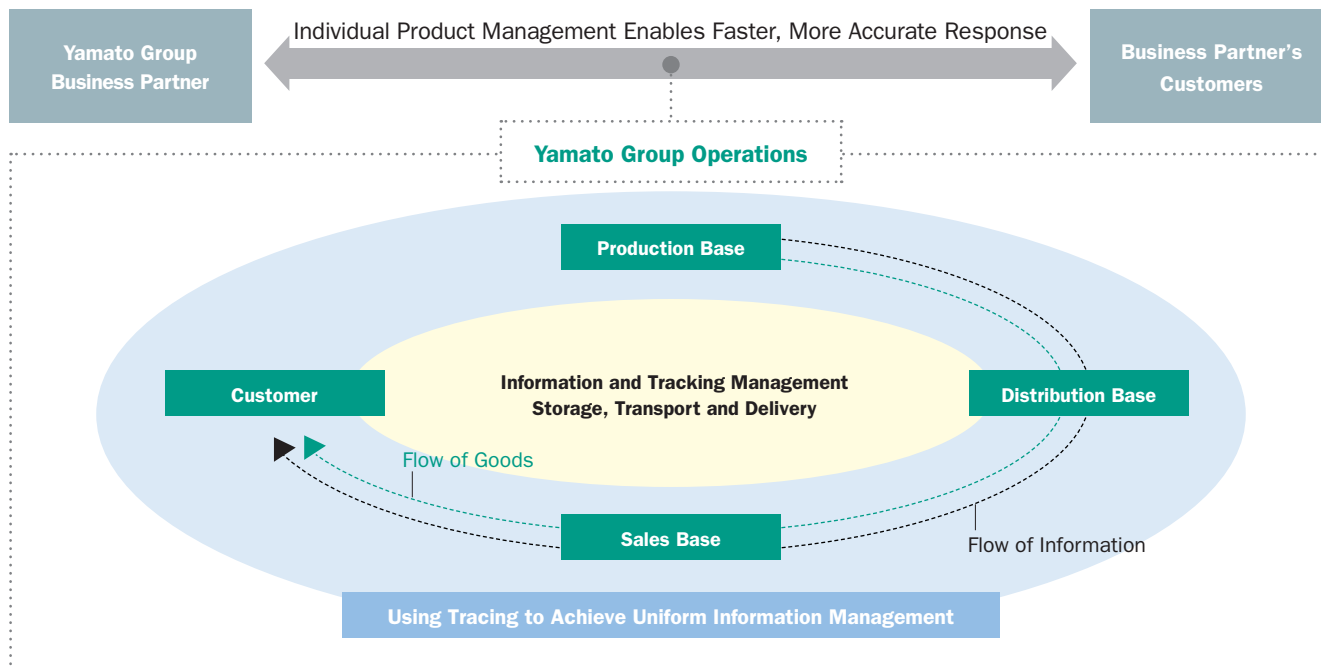
Review of Fiscal 2013

The e-Business actively proposed solutions that integrate data, distribution and settlement functions, to raise business process efficiency and solve potential business problems of customers. Furthermore, we developed and operated systems in step with business development across the Yamato Group.

In collaboration with the Financial Business in e-money services, we have been promoting installation and operation of a multi e-money settlement terminal that allows settlement by multiple brands of e-money. During the year under review, we saw expanded installation and use of these terminals by a wide range of customers in terms of business size and sector, including nationwide retailers and small and medium-sized retail and service businesses.

In our *e-Logistics Solution* business, we offer a service that visualizes delivery flows and the whereabouts of packages by applying the tracking know-how of our *TA-Q-BIN* business for customers requiring individual goods

e-Logistics Solution



management, such as telecommunications equipment and cable television businesses. In the year under review, we accelerated business development mainly by promoting services supporting reservations management, storage and retrieval management, and inventory management needed by precision instruments and medical device manufacturers when renting products to hospitals and other customers. In addition, we saw expanded use of our existing services.

In *e-On Demand Solutions*, business expanded in the fiscal year under review thanks to the development of services, particularly for the pharmaceutical industry, that support improved sales efficiency and inventory reductions through the management, on-demand printing, and just-in-time delivery of customers' sales promotion materials.

Our *Web-Based Mail Order Solution* business took steps to develop the "net supermarket" business, in which we expect demand to expand. The business targeted retail business customers, such as supermarkets and department stores, in expanding its *Net Super Support* service, a comprehensive service offering Web system creation, delivery of items, and collection of payments. Taking advantage of the multifunctionality of the Yamato Group, this service has gained a strong reputation for its overall power as a service that deals with the underlying social trends of an aging society and the depopulation of rural areas. Consequently, business is expanding firmly.

Overseas, the e-Business progressed in line with the Yamato Group's Asian developments using ICT. Our e-Business

additionally cultivated its own operations in Taiwan.

As a result, operating revenues increased 4.4% year on year, to ¥37,061 million, supported mainly by growth in services linking data and logistics functions. Operating income rose 4.2%, to ¥6,987 million due to productivity enhancements and cost cutting measures, despite upfront investments in e-money services and other factors.

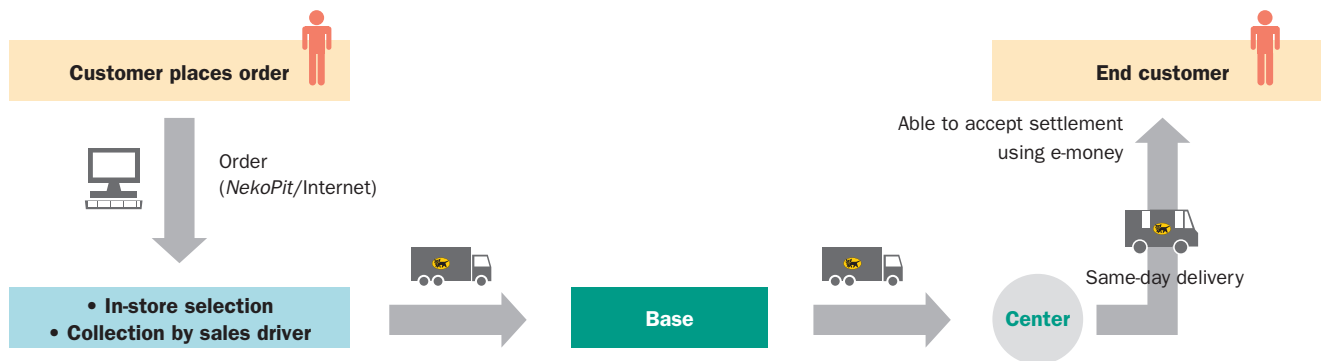
Strategies in Fiscal 2014

Our first strategy is to strengthen the competitiveness of our products. Besides refining existing services as a matter of course, we will create more services and businesses by combining the management resources of the e-Business and the rest of the Yamato Group. We will also collaborate with the services of other companies to generate unique solutions.

Our second strategy is to reinforce our sales capabilities. We will employ the networks of the e-Business and the rest of the Yamato Group as part of efforts to enhance our solutions capabilities by collaborating with influential external partners in the marketplace. We will draw on our solid, wide-ranging sales structure to cultivate customer needs and deliver solutions.

We will strive for superior ability to use the combined power of the Group in our business, continuing to offer new solutions that contribute to improved efficiency in the business processes of our customers. Our goal is to help build an enriched society as a solutions provider.

Net Super Support Service





Toshizo Kurisu

Representative Director,
President and Executive Officer of Yamato Financial Co., Ltd.

The Financial Business aims to become a partner that provides convenience for consumers and helps enterprises overhaul their logistics systems by providing settlement and other financial solutions in Japan and abroad. We are determined to offer diverse settlement methods to fulfill customer requirements, such as collecting payments upon delivery on behalf of mail-order companies and handling settlements between companies. Under our DAN-TOTSU Management Plan 2019, we will endeavor to develop various services for becoming No. 1 in settlement, particularly for mail-order companies.

Review of Fiscal 2013

For our corporate customers in the business-to-consumer (B2C) mail-order market, the Yamato Group proactively promoted sales of *Kuroneko Web Collect*, a service that allows settlement by multiple methods of payment such as credit card and e-money simultaneously. We also worked to propose a total solution in which we provide not only a settlement method but also assist in sales promotion activities of customers.

In the business-to-business (B2B) market in Japan, we helped sellers expand sales channels and buyers perform credit transactions through the *Kuroneko Anshin Kessai Service*. We also provided value through improving business efficiency and at the same time managing accounts receivable and reducing risk in debt collection.

Moreover, in Shanghai, Singapore, Hong Kong and Malaysia, where we provide settlement solutions, we worked to differentiate ourselves from local companies, making proposals in line with customer needs. These efforts resulted in a year-on-year increase in the number of settlement transactions and in operating revenues.

Operating revenues were up 4.8% year on year to ¥56,710 million due to an increase in the number of *TA-Q-BIN Collect* and e-money settlement transactions. Operating income was ¥8,516 million, down 14.3% year on year, due to the effect of a reversal of an allowance for doubtful accounts in the previous fiscal year.

Strategies in Fiscal 2014

In the B2C market, in addition to cash-on-delivery settlement, our mainstay service, we will enhance the functions of *TA-Q-BIN Collect* to accommodate increasing numbers of consumers purchasing products online. We will also revamp our sales system and work to further strengthen sales of non-face-to-face settlement services.

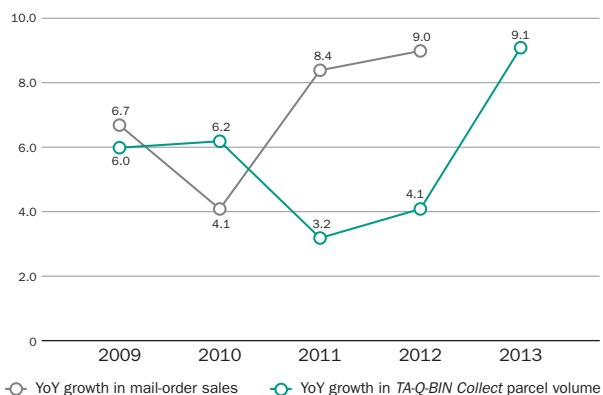
In addition, we will propose solutions that go beyond settlement services and leverage the collective resources of the Yamato Group to flexibly meet the diversifying needs of consumers and mail-order companies while also working to refine those solutions to provide greater added value.

In the B2B market, we will develop logistics consultants and utilize outbound calls to strengthen sales and continue working to develop the business around the *Kuroneko Anshin Kessai Service*.

With the B2C market for global logistics settlement services growing steadily, we intend to provide consulting for Japanese mail-order firms entering overseas markets and continue developing cash-on-delivery services in parts of Asia where *TA-Q-BIN* is being made available. In the B2B market, we will enhance services that make it easier to use the Global Procurement Support Service by handling multiple currencies, for example.

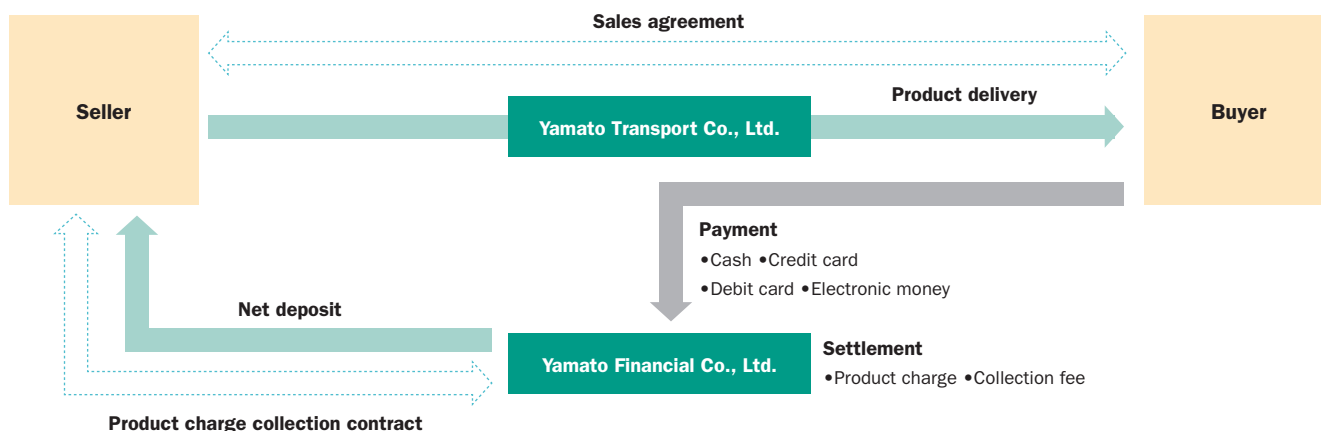
With these objectives, we will provide fast, high-quality services to mail-order companies through *Haneda Chronogate*, *Atsugi Gateway* and the *Okinawa International Logistics Hub*, while also providing settlement solutions in response to the changing logistics infrastructure surrounding companies, users and the community in an effort to be an ideal partner for customers in logistics reform.

The Growing Mail-Order Sales Market and *TA-Q-BIN* Collect
(%)



Source: The Japan Direct Marketing Association
 Note: The growth rate in mail-order sales shown in this chart is through the year ended March 31, 2012 because data for the year ended March 31, 2013 had not yet been released by the Japan Direct Marketing Association as of August 23, 2013.

***TA-Q-BIN* Collect: Flowchart of Cash-on-Delivery Service**



Truck Maintenance



Keishirou Sasaki

Representative Director,
President and Executive Officer of Yamato Autoworks Co., Ltd.

The Truck Maintenance Business operates vehicle servicing plants for logistics and distribution companies. Over the years, the business has expanded the industry's first maintenance service into a 24-hours-a-day, 365-days-a-year service that enables customers to service their vehicles without stopping operations, schedule automobile safety inspections and have routine check-ups.

Our vision is to transform this business from being the only one customers choose to the No. 1 for autoworks in Japan. "Transform inconvenience into convenience from the customer's standpoint" is the corporate DNA of the Yamato Group. Based on this perspective, the business offers services, chiefly for logistics and distribution companies, that go beyond vehicle maintenance to provide a one-stop solution covering body and tire maintenance, as well as fuel supplies.

In addition, in providing insurance consultations as a partner that helps customers manage risk associated with their operations, and management solutions that allow customers to get the most out of their facilities, plants and logistics equipment, we are aiming for total vehicle management services that contribute to the revitalization of the businesses of customers.

New *Superworks* vehicle maintenance plants pursue greater gains in operating efficiency and environmental performance



Superworks Okayama
(Completed September 13, 2012)



Solar power system

Review of Fiscal 2013

We posted increases in both revenues and profit in the year under review. Our operating revenues were ¥23,229 million, up 9.6% year on year. Operating income increased 6.1% to ¥2,666 million.

A new *Superworks* vehicle maintenance plant was established in the Minami district of Okayama, Okayama Prefecture, a gateway to the Kansai and Shikoku regions of Japan. *Superworks* plants represent a new paradigm in environmentally sensitive maintenance facilities and feature high operating efficiency as well as solar power systems, LED lighting and other energy-saving equipment. Of our 71 vehicle maintenance plants, 21 are now *Superworks* facilities, which has reinforced our network.

We also launched a new *Body Maintenance Service* that provides chassis*¹ inspection and maintenance along with body (wing and tailgate*²) maintenance to help prevent delivery delays caused by breakdowns and reduce truck downtime. A new *Tailgate Mounting Service**³ was also started.

As a result of leveraging our network strengths and solutions capabilities in this way, automobile safety inspections for companies outside the Yamato Group increased 3.9% over the previous year to 39,500 vehicles.

*1. The part of a vehicle that drives; includes the engine, brakes, drive-train, etc.

*2. Parts of a vehicle that are not needed to drive; includes the loading bed, loading equipment, etc.

*3. Equipment on the rear of a truck bed for lifting and lowering

Strategies for Fiscal 2014

In fiscal 2014, we intend to accelerate initiatives with the goal of expanding our network of environmentally sensitive *Superworks* facilities and further establish a management business based on maintenance and vehicle management. We will also promote maintenance of the delivery infrastructure from a business continuity planning (BCP) standpoint.

We will establish a new location in the Chubu region and further extend our network to major urban areas, and we will work to develop business in concert with local customers by further augmenting our service network. Moreover, we plan to broaden the focus of our activities beyond just maintenance to include a more management-oriented approach in the services we provide. We will further promote the

Body Maintenance Service and *Tailgate Mounting Service*



Body Maintenance Service



Tailgate Mounting Service

existing *12-Month Fixed-Price Maintenance Package*, and the *Tire Management Service*, while expanding sales of new services, namely the *Body Maintenance Service*, and a safety education program for transportation companies. Through these efforts, we intend to provide new mechanisms that will allow our customers to more accurately budget for and control vehicle maintenance costs. In addition, we will provide customers with expertise on safe and reliable operations.

In order to create one-stop services, we will step up various efforts. One is to add a new management program whereby we visit locations where customers' vehicles are stored and change the oil. In addition, we will promote our risk consulting business in our capacity as an insurance agent and push ahead with our facilities and equipment maintenance management business. Moreover, we will

Expanding our Superworks Network

21 locations out of 71 in total (as of March 31, 2013)



establish fuel supply bases to support logistics and transportation infrastructure.

Through these sorts of new measures, we aim to grow operating revenues by 1.2% year on year to ¥23.5 billion, and operating income by 16.3% to ¥3.1 billion.

Basic Concept—The “Three Cs” and “One C”

The Truck Maintenance Business provides one-stop services based on observing the three “Cs” underpinning management support for logistics and distribution companies.

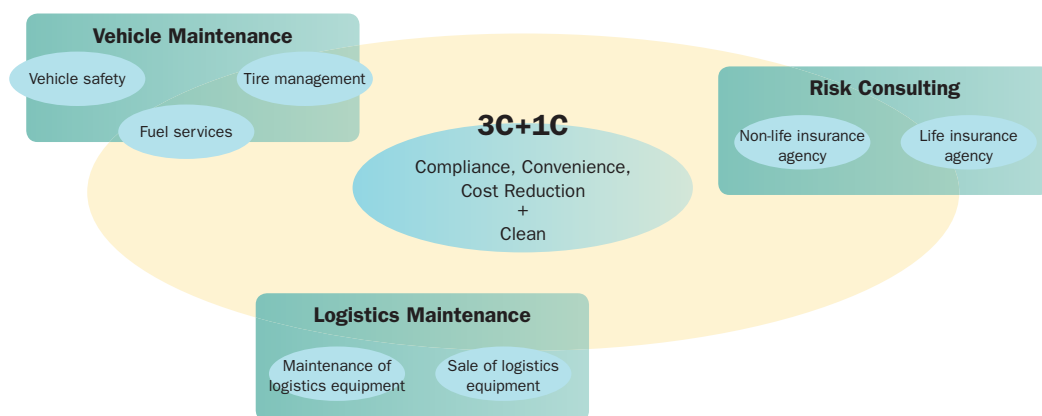
The first “C” is Compliance, which is the foundation of management. Our *Repairworks* mobile plants have contributed to improving the completion rate for statutory vehicle inspections of our customers.

Next, we have Convenience, where we pursue ever higher levels of convenience for our customers. Based on this concept, we aim to establish a framework that enables operations 24 hours a day, 365 days a year, in order to carry out vehicle inspections when the vehicles are not in operation.

Our third “C” stands for Cost Reduction based on helping to improve utilization rates for commercial vehicles while leveraging procurement capabilities. By promoting measures to constrain the need for spare vehicles and increasing the completion rate for statutory vehicle inspections, we have made it possible to implement preventive maintenance, which helps limit occurrences of unexpected costs. We will harness our nationwide network to procure optimal parts and fuels so as to provide customers with high-quality products and services at low cost.

The last “C” stands for Clean. In keeping with the times, we have addressed environmental issues by deploying solar power systems, energy-efficient LED lighting, and other facilities at *Superworks*. Also, we have started to build a system for being able to handle new technologies in our maintenance operations, with an eye on the increasing use of electric vehicles.

And we are recommending rebuilt and reused parts to support the environmental efforts of logistics and distribution companies.



Other



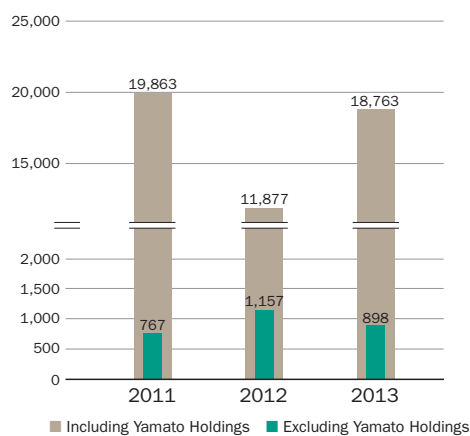
JITBOX Charter

The *JITBOX Charter* service is a service that provides transportation by transport box. The service takes advantage of its Group network consisting of multiple companies and provides value to customers through timely delivery and frequent, right-volume delivery. In the fiscal year ended March 31, 2013, the Group increased the number of transportation orders of precision equipment and transportation orders related to events, and the handling volume exceeded that of the previous fiscal year. In addition, we developed returnable material suited for the transportation of precision equipment, among other items, and strove to provide an environmentally friendly and safe transportation service.

Operating income in Other, excluding dividends which Yamato Holdings Co., Ltd. received from the Group companies, decreased 22.4% from the previous fiscal year to 898 million yen.

Operating Income

(Millions of Yen)



Track Record of *JITBOX Charter*

(Units)

