

Corporate Social Responsibility

Compliance is one of the top priorities of management at the Group. As such, the Group believes that its sustained growth is largely contingent upon not only business profitability, but also proper conduct as a business group with operations that require a high degree of social interaction.

With the interests of all stakeholders in mind, the Group actively conducts social contribution activities to fulfill its Corporate Social Responsibility (CSR) from the perspectives of safety, the environment and society in line with the Yamato Group Corporate Philosophy at the heart of the Group's business.

Safety

Safety Classes for Children

The Group places a strong emphasis on respect for human life in carrying out its operations. This is reflected in a number of initiatives rolled out in the period under review.



One such initiative is the aggressive promotion of a new telematics system, *See-T Navi*, which supports safer and more environmentally friendly vehicle

operations. Another is the continuation of our program of safety classes for children. In fiscal 2011, over 1,300 classes were held nationwide.

These safety classes for children have been held since 1998. Held all over Japan, these classes seek to teach children ways to protect themselves from traffic accidents.

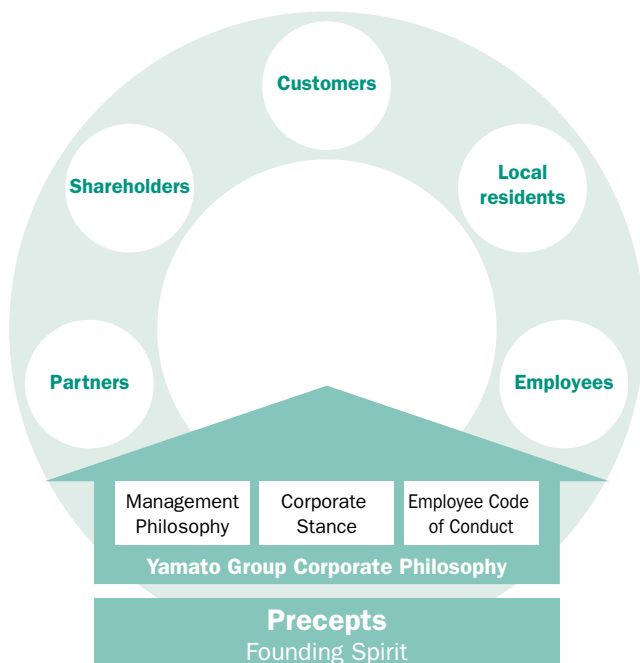
Taught entirely by Yamato Transport employees, the fun and entertaining classes employ various means to teach children about traffic safety.

Environment

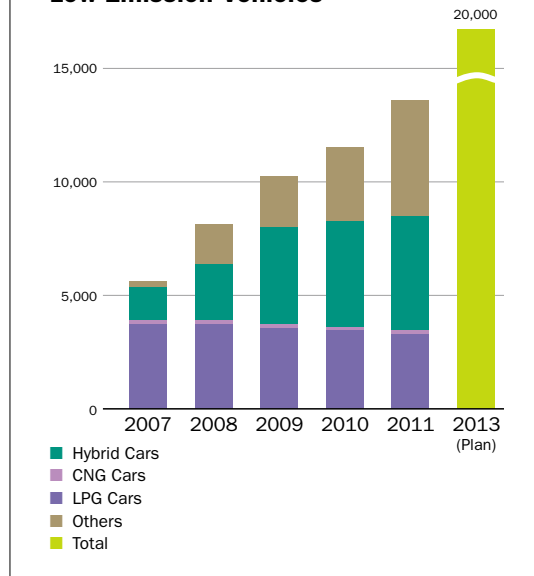
Active Deployment of Low-Emission Delivery Vehicles

The Yamato Group fully recognizes the importance of environmental conservation to the entire human race. With this in mind, the Group has set in motion a number of independent projects that promote the creation of a low-carbon society through the latest in eco-friendly technology. Fiscal 2011 was the stage for one such technology: the deployment of prototype light commercial electric vehicles for pickup and delivery operations. Elsewhere, we upgraded terminals and vehicle servicing plants to incorporate "greener" specs such as solar energy and the recycling of used motor oil. We also

Diagram of Yamato Group Corporate Philosophy



Changes in the Number of Low-Emission Vehicles



promoted the use of handcarts and electric bicycles with attached trailers for pickup and delivery. In a similar vein, we have accelerated the introduction of low-emission vehicles such as hybrids in order to reduce fuel usage in our operations. As a Group with business operations centering on the field of logistics, Yamato is striving to reach this goal through the initiatives mentioned above as part of a more robust environmental stance.

In specific terms, by fiscal 2013 Yamato Transport is aiming to have 20,000 low-emission delivery vehicles in operation in its fleet of vehicles. In fiscal 2011, we added 2,041 low-emission vehicles, including 391 hybrids, to bring the total to 13,579.

As Yamato Transport's vehicles account for 86% of the Group's total vehicle fleet, this brings the total proportion of low-emission vehicles in the Yamato Group's fleet to 30.8%.

Satellite Centers Eliminate Use of Vehicles for Parcel Delivery

The opening of more satellite centers reduces the delivery area assigned to each sales driver. This change not only enables drivers to provide more detailed services to each customer, but also helps to curb increases in the number of vehicles required to keep pace with increased parcel volume. Yamato Transport has a network of 1,013 satellite centers across Japan, located mainly in urban centers. Parcel delivery from these satellite centers is conducted primarily through the use of handcarts and bicycles with attached trailers, rather than motor vehicles.

Society

Employing People with Disabilities

We at the Yamato Group believe that everyone deserves the opportunity to enjoy the world of work and the act of independently earning a living, irrespective of any disability, physical or otherwise. For the reason, we have embarked on a number of projects to help gain the support of local communities, most notably the Swan Bakery. This bakery was founded together with the Yamato Welfare Foundation and provides employment opportunities for those with disabilities in the production and sale of bread and pastry products. We also actively employ people with disabilities as couriers for our *Kuroneko Mail* services. For both these occupations and others, we operate a support facility at

which employees learn the necessary skills and know-how for their new vocation.

Support for Great East Japan Earthquake Relief Efforts

As support activities for the Great East Japan Earthquake, we cooperated in the transport of relief supplies from all over the country to the affected areas in coordination with governmental and public organizations. We also established an organization to transport relief supplies to shelters in Iwate, Miyagi, and Fukushima Prefectures, in order to deliver relief supplies directly from supply bases within the affected areas to those in need. This organization consists of a maximum of 200 trucks as well as 500 staff, and is still in operation. We will leverage this experience to further reinforce our system and thereby provide stable transportation, even during emergencies. In addition, we resolved to make donations on an ongoing basis for the restoration of local and industrial infrastructure in the affected regions, as well as to support recovery efforts. Specifically, we will donate ¥10 per *Takkyubin* package to public organizations and funds that conduct activities for the restoration of local infrastructure and provide support for the rebuilding of the fishing and agriculture industries in the region. These donations are estimated to reach ¥13.0 billion in total over the course of a year. Going forward, we will continue to work towards the restoration of social and industrial infrastructure in the affected areas by promoting Group-wide support activities.

External Evaluation

The FTSE Group confirms that Yamato Holdings has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series.



Created by the global index company FTSE Group, FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognized corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent social and environmental criteria, and are positioned to capitalize on the benefits of responsible business practices.