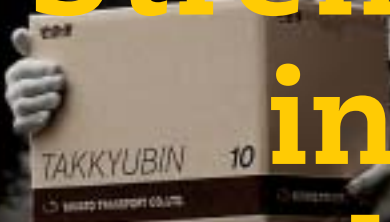
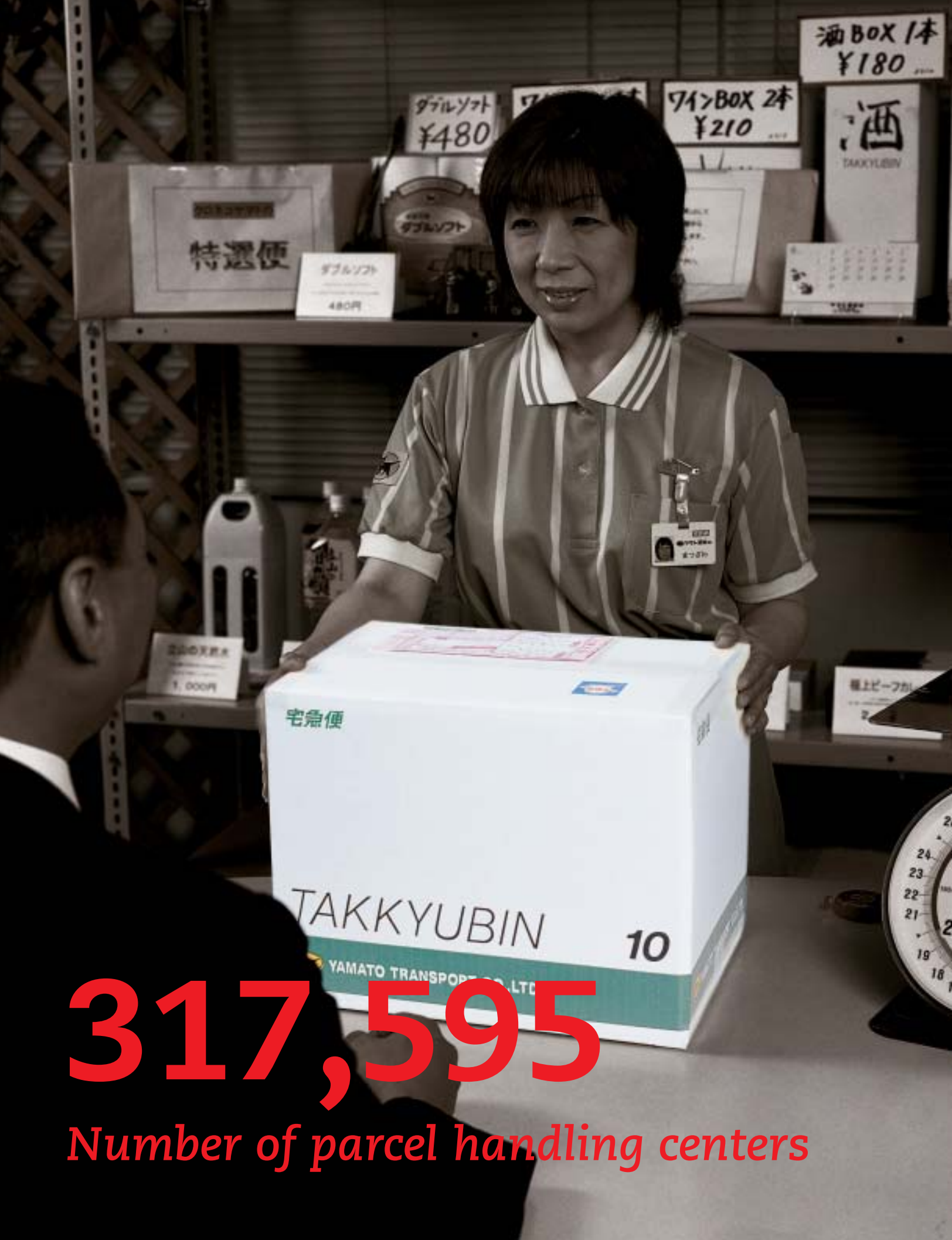


Strength in Numbers





317,595

Number of parcel handling centers

Progress in the Strategy of Leveraging Network in Logistics Business

The Yamato Group conducts its business and seeks to grow by leveraging a distribution network that covers virtually every household in Japan. The first step in this process is increasing volume without increasing costs. To do this, the Group is downsizing its delivery centers, the backbone of its entire business, without sacrificing functionality, and establishing a highly visible presence in its collection and delivery areas. At the same time, the Group has established a system to provide highly convenient parcel delivery services and to respond to the distribution needs of corporate customers. One example is supply chain management. The Group has also constructed a transportation system that covers a large part of the world. To tap latent demand, the Group instituted *Kuroneko Mail* to provide affordable and sophisticated services, including parcel tracking. In the moving business, the Group has upgraded and added more value to its services to differentiate them from those of the competition. By taking these steps, the Group is now better able to meet the full range of delivery and transport needs of individuals, households, and companies.



983,938,414

Number of parcels delivered annually

Originating Businesses from the Perspective of Customers and Communities

Delivering nearly one billion parcels annually means that the Yamato Group has at least that number of contacts with customers. These contacts allow the Group to identify tasks that customers perceive as inconvenient. The Group has utilized this information to establish a business aimed at eliminating these inconveniences. The home convenience business offers a menu of services tailored to the needs of specific regions of Japan. These services include buying goods on behalf of customers and arranging furniture following a move to a new residence. Similarly, frequent contact with small- and medium-sized companies led to the establishment of our *E-business* business, which assists companies improve their operations. This business opens up a portion of the Group's infrastructure to customers too small to construct their own distribution systems. Utilizing the systems of the Yamato Group enables them to increase efficiency without incurring additional costs.



112,948
Number of employees

Bolstering Group Management to Increase Productivity and Minimize Costs

One point the new three-year plan emphasizes is bolstering Group management to increase the value of the Yamato Group as a whole. The plan contains various actions designed to raise productivity by fully leveraging the Group's key corporate resource—the combined talents of its over 100,000 dedicated employees—through the establishment of a more effective system to facilitate business formation. The Group support business is one example. Responsible for coordinating support activities that boost the productivity of the five business domains, this division oversees the consolidation of overlapping operations, promotes greater use of IT, identifies areas for outsourcing, and otherwise oversees activities aimed at improving service quality and reducing costs. The Group has also increased productivity per delivery center by converting existing business offices into smaller delivery centers while consolidating back-office operations to constrain expense growth. Expansion of the number of centers has reduced the number of employees per center and clarified the roles and responsibilities of individual personnel, resulting in higher efficiency and greater motivation.