

Aiming to become a company  
most loved and trusted by society



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## Editorial Policy

This report is created to deepen our stakeholders' understanding of the Yamato Group's stance and initiatives regarding corporate social responsibility (CSR).

At present, the Yamato Group is working as one to advance our long-term "DAN-TOTSU Management Plan 2019." This report shows how our employees aim for "DAN-TOTSU" as they work to fulfill our social responsibilities as a company. In reporting on initiatives concerning Safety, Environment, and Society in particular, we worked to make the report easy to read and understand through the format of employees' responses to stakeholders' questions.

The contents of this report, as well as activities and detailed data that are not contained in this report, are available on our corporate website (a list of information available online is shown on Page 40). Please also refer to the website.

### Guidelines, etc. referenced

G.R.I. (Global Reporting Initiative), "Sustainability Reporting Guidelines" (G3.1 and G4); Ministry of the Environment, "Environmental Reporting Guidelines" (2012 version)

### Period covered in report

Fiscal 2014 (April 2014 - March 2015)  
Performance data is as of the end of March 2015, unless noted otherwise. (Some information from before the target fiscal year and after April 2015 is included in reporting on activities.)

### Scope of report

Safety, environmental, social, and economic aspects of the activities of the Yamato Group.

### Publication

October 2015 (scheduled next publication: October 2016)

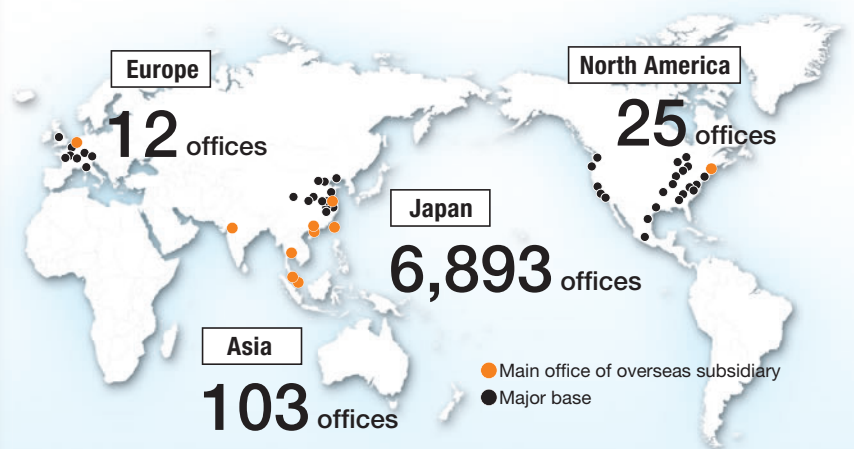
## Yamato Group at a Glance

# Aiming to be Asia's No. 1

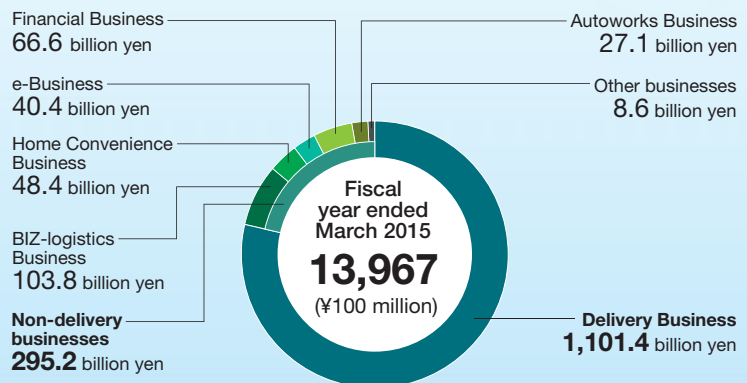
### Company Overview (As of March 31, 2015)

Company name	YAMATO HOLDINGS CO., LTD.
Headquarters	16-10 Ginza 2-chome, Chuo-ku, Tokyo 104-8125
Established	November 29, 1919
Capital	127,234 million yen
Stock	Total number of authorized shares: 1,787,541,000 Total number of shares outstanding: 454,684,992 Number of shareholders: 37,059
Business lines	Holds the shares of companies running various businesses including the trucking business, governs the management of those companies, and runs related service operations.

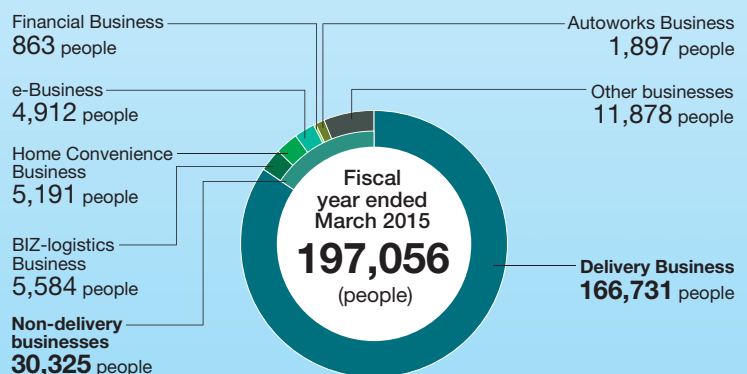
### International Presence



### Operating revenue by business



### Number of employees by business (consolidated)



# solutions provider in distribution and lifestyle support

**Delivery Business**

Japan

International

## TA-Q-BIN services delivering new forms of convenience in Japan and in Asia

The small parcel delivery business—most recognized for our TA-Q-BIN services—and domestic air cargo transportation business represent the driving force behind the collective strengths of the Yamato Group.

With a domestic network that covers every part of Japan, we have continually worked to modify services so that they deliver even greater convenience for both the sender and recipients.

We also provide the same highly reliable TA-Q-BIN services as in Japan in many parts of Asia, including Taiwan where services started in October 2010, Shanghai and Singapore in January 2010, Hong Kong in February 2011, and Malaysia in September 2011.

**Group companies:** Yamato Transport Co., Ltd. / Okinawa Yamato Transport Co., Ltd. / Yamato Global Express Co., Ltd. / Yamato Dialog & Media Co., Ltd. / Express Network Co., Ltd. / Yamato Contact Service Co., Ltd. / Yamato Staff Supply Co., Ltd. / Yamato (China) Transport Co., Ltd. / Yamato Transport (HK) Ltd.

**International**

Number of TA-Q-BIN parcels handled annually (including Taiwan)

**111.21 million**  
(Fiscal year ended March 2015)

Sales drivers

Approx. **1,100**

TA-Q-BIN Centers

Approx. **50** locations



**Japan**

Market share

**1<sup>st</sup> at 45.4 %**

Number of TA-Q-BIN parcels handled annually

**1,622.04 million**  
(Fiscal year ended March 2015)

Sales drivers

Approx. **60,000**

TA-Q-BIN Centers

Approx. **6,000** locations



### Origin of the Corporate Logo

We will transport parcels as carefully as mother cat carries her kitten



The origin of the black cats can be traced back to 1957. Our founding President Yasuomi Ogura took a liking to the cat logo used by Allied Van Lines of the United States, with which Yamato Transport had a business partnership, and after gaining the company's permission, a person in charge of public relations designed the first corporate logo. The design the person chose was actually inspired by a drawing of a cat made by their child.



## BIZ-logistics Business

Japan

International

### Helping corporate customers find solutions to their various logistics challenges

Our services and solutions focus on the efficient storage and flow of goods. Through close collaboration with our network of international subsidiaries we deliver integrated transport services and provide lifestyle support solutions, while in Japan we offer support with product recalls and logistics for pharmaceuticals.



**Group companies:** Yamato Logistics Co., Ltd. / Yamato Global Logistics Japan Co., Ltd. / Yamato Multi-Maintenance Solutions Co., Ltd. / Yamato Packing Service Co., Ltd. / Yamato Packing Technology Institute Co., Ltd. / Konan Industry Co., Ltd. / Yamato Transport U.S.A., Inc. / Yamato Transport Europe B.V. / Yamato International Logistics (Hong Kong) Ltd. / Taiwan Yamato International Logistics Inc. / Yamato Transport(s) Pte. Ltd. / Yamato International Logistics Co., Ltd. / Yamato Transport (M) Sdn. Bhd. / Yamato Logistics India Pvt. Ltd. / Yamato Transport Mexico S.A.de C.V. / Yamato Logistics Vietnam Co., Ltd. / Shanghai Wai Gao Qiao Bonded Logistics Zone Yamato Warehouse Co., Ltd. / Yamato Unyu (Thailand) Co., Ltd. / Pt. Yamato Indonesia

## Home Convenience Business

Japan

### Supporting all aspects of living, with a focus on moving as well as furniture/home electronics deliveries and set up

We deliver a host of lifestyle support services, including moving as well as the delivery and setup of household items. We also help to make people's lives richer by eliminating inconveniences at home or at work, including delivering rare and unique products from across Japan directly from producer to customer.



**Group companies:** Yamato Home Convenience Co., Ltd.

## e-Business

Japan

### Harnessing ICT to streamline customer business processes

We deliver services within and outside the Yamato Group under the three key words tracing (leveraging our refined traceability capabilities in logistics) security (delivering added peace of mind), and packaging (aiding early introduction and implementation).



**Group companies:** Yamato System Development Co., Ltd. / Yamato Web Solutions Co., Ltd.



## Financial Business

Japan

International

### Providing a host of essential settlement services for product shipment, including COD, e-money, and credit card payments

The Yamato Group offers collections, integrated leasing and credit finance at the time of product shipment. We also help customers access increased sales opportunities by facilitating settlements for mail order businesses and B2B logistics.



Group companies: Yamato Financial Co., Ltd. / Yamato Credit & Finance Co., Ltd. / Yamato Lease Co., Ltd. / Yamato Payment Service (HK) Ltd.

## Autoworks Business

Japan

### Delivering a broad range of services for transport providers, from vehicle management to logistics facility maintenance

The Yamato Group offers advanced vehicle maintenance solutions and leveraging this experience we provide integrated support to truck and bus operators. Our services also include the supply of fuel, automotive insurance, and logistics facility maintenance, among others.



Group companies: Yamato Autoworks Co., Ltd. / Yamato Autoworks Hokushinetsu Co., Ltd. / Yamato Autoworks Okinawa Co., Ltd. / Yamato Autoworks Iwate Co., Ltd. / Yamato Autoworks Shikoku Co., Ltd.

## Other businesses

Japan

International

We engage in the arterial transport business, box charter business as well as provide shared services.

Group companies: Box Charter Co., Ltd. / Yamato Box Charter Co., Ltd. / Yamato Management Service Co., Ltd. / Yamato Multi Charter Co., Ltd. / Kobe Yamato Transport Co., Ltd. / Swan Co., Ltd. / Yamato Asia (S) Pte Ltd. / Yamato Tidiki Express Pte. Ltd.



## Organizations

These organizations provide welfare services and offer benefit programs within the group.

Pension Fund of Yamato Group / Yamato Group Health Insurance Societies / Yamato Welfare Foundation / Yamato Self-support Center

Visit the following link to learn more about our business segments.

<http://www.yamato-hd.co.jp/english/business/index.html>





# We will continue to generate new value together with people around the world by creating services that act as social infrastructure and help solve the world's challenges

**The phrase “for the benefit of the world and of society” represents our underlying commitment to innovation that creates new value**

In January 2016 the Yamato Group will celebrate the 40th anniversary of its TA-Q-BIN business. Today, TA-Q-BIN has become a ubiquitous form of social infrastructure in Japan that is truly indispensable to society in a similar fashion as utilities such as electricity, water and gas. We are well aware the major responsibilities that go along with it. Over the years, the Yamato Group has always reviewed its businesses very rigorously not only in terms of economics, but also safety, the environment and society and dedicated a great deal of efforts to fulfilling its corporate social responsibilities (CSR). We recognize that even greater efforts will be needed in the future because our role and presence continues to expand as we gain more customers in international markets.

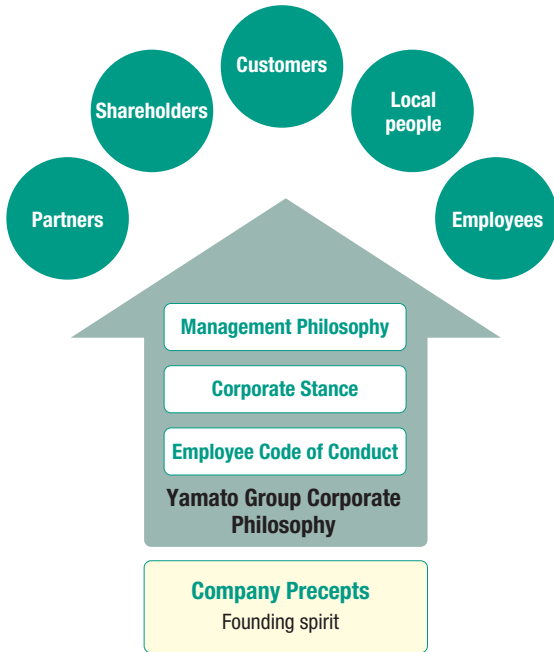
Since launching TA-Q-BIN, we have come up with a wide range of related services including TA-Q-BIN Collect,

Cool TA-Q-BIN, and Golf TA-Q-BIN, among others. No matter the time period, we have continued to innovate in pursuit of Creating Shared Value (CSV) that delivers both economic and social value while solving challenges faced by customers, which has enabled us to continually create and launch all-new services one after another. At the root of these efforts is the backbone of our corporate philosophy, “for the benefit of the world and of society,” which has been passed down as the founding spirit of our company.

Japan is faced with major challenges that include an aging society and regional depopulation. Given this situation, as our form of CSV, we are combining the unique information technologies (IT), logistics technologies (LT), and financial technologies (FT) of each Yamato Group company for use by customers as a platform for solving their challenges. Among these, we are focusing efforts on “Project G (Government),” which seeks to solve social issues with the assistance of local governments in providing lifestyle support, which includes shopping assistance services and

▼ Yamato Group Corporate Philosophy

Structural Diagram of the Yamato Group Corporate Philosophy



**Company Precepts**

1. We ‘all’ represent the company
2. We deliver with a personal touch
3. We work with gratitude and politeness

**Management Philosophy**

The Yamato Group helps enrich our society by enhancing the social infrastructure of TA-Q-BIN networks, creating more convenient services for comfortable lifestyles, and developing an innovative logistics system.

**Corporate Stance**

1. Pursuit of customer satisfaction
2. Respect for human life
3. The pleasure of work
4. Adherence to laws and fair practices
5. A corporation trusted by the local community
6. Promoting environmental protection
7. Protection of personal information
8. Communication and mutual benefits
9. Disclosure of corporate data and accountability practices
10. Response to allegations of corporate misconduct

**Employee Code of Conduct**

1. Our role as a member of society
2. Action based on laws and ethics
3. Strict observation of workplace rules
4. Creation of a work environment that respects human character
5. Maintaining favorable relations with business partners
6. Providing the best possible service to customers

watch-over services for the elderly, and sales promotion support, which includes helping customer expand sales channels for unique local specialty products. As of July 2015, we had reviewed 1,198 solutions and of these 288 are now in use as actual services. As we implement “Project G,” our goal is to create services that can serve as new forms of social infrastructure and in the process contribute to communities around the world (see pages 11 to 18).

At the same time, as of March 31, 2015 we eliminated the Kuroneko Mail-Bin service that was used to ship catalogues and pamphlets. The reason for this is that while the definition for “confidential correspondence” is vague and difficult to comprehend, customers sending “confidential correspondence” using Kuroneko Mail-Bin by mistake were still exposed to possible punishment for violation of the Postal Act. Actually, there were a total of 8 cases since July

2009 where customers who used Kuroneko Mail-Bin to send “confidential correspondence” were interviewed by police or had their cases sent to the Public Prosecutor.

Leaving customers unaware of a possible legal violation exposed to the risk of becoming suspects goes against the Yamato Group’s corporate stance and social responsibilities. Thus, we made the unfortunate decision to eliminate the Kuroneko Mail-Bin service based on the determination that it would be difficult to continually balance user convenience with a safe and secure user environment. To ensure customers are not negatively affected by this service termination, we have created an alternative service called Kuroneko DM-Bin and will continue to develop services that meet new needs, such as TA-Q-BIN Compact and NEKOPOSU, among others, while remaining firmly committed to our customer-first stance.



Watching over elderly customers living alone who use TA-Q-BIN



Revitalizing local economies by helping to expand sales channels of unique local specialty products

## Promoting “Value Networking” design to support Japan’s growth strategies

The Yamato Group, under its long-term management plan called “DAN-TOTSU Management Plan 2019,” is aiming to become “Asia’s No. 1 solutions provider in distribution and lifestyle support” by 2019 when it will celebrate its 100th anniversary. At the same time, under our medium-term management plan called “DAN-TOTSU Three-Year Plan STEP,” we are promoting the “Value Networking” design and the fostering of a sound corporate culture.

In recent years, the business environment in Japan and in international markets has undergone great change, which requires we change in order to achieve steady growth going forward.

The “Value Networking” design concept will seek to evolve logistics from a cost to a means for generating value by restructuring our network in Japan and international markets in an effort to support Japan’s growth strategy through logistics restructuring that involves all customer business segments and sizes.

In 2013, we opened Haneda Chronogate as the centerpiece of this concept. This facility will transform

customers’ businesses by providing value-added functions such as in-house repairs, assembly, processing, and cleaning, in addition to speedy transport taking advantage of its favorable location for linking regions around the country.

We are also moving forward with plans to construct gateway logistics terminals in every major region of Japan. These facilities will have high efficiency sorting capabilities that enable sorting at the same time as shipping and receiving 24 hours a day, which will make it possible for same-day deliveries between major cities and to alleviate labor shortages through reduced transport costs and manpower. In 2013, we opened the Atsugi Gateway for the Kanto Region and we plan on opening the Mikawa Gateway for the Chubu Region in fiscal 2016 and a new gateway in the Kansai Region in fiscal 2017.

In terms of overseas shipments, we have utilized the functions of our Okinawa International Logistics Hub, which offers 24-hour a day custom clearance and a central location in East Asia, to help expand exports of Japanese agricultural, forestry and fisheries products. We have also expanded International Cool TA-Q-BIN services to include Hong Kong, Taiwan, and Singapore so that Japan’s fresh seasonal foods can be shipped in small lots at frequent intervals to maintain straight-from-the-producer freshness. Moving




In April 2015 we launched TA-Q-BIN Compact, ideal for home delivery of small parcels, and a new mail service called NEKOPOSU



All repair work has been centralized at Haneda Chronogate and information digitized to increase operating efficiencies

### ▼ Medium-term Management DAN-TOTSU Three-Year Plan STEP (Fiscal 2014 – Fiscal 2016)

Vision for 2019	Asia’s No. 1 solutions provider in distribution and lifestyle support							
Concept	Promote “Value Networking” design and the fostering of a sound corporate culture							
Basic Group Strategies	<p><b>Basic Group Strategy (1)</b></p> <p><b>Restructure network to create higher added value business models</b></p> <p>Seamlessly integrate our core competence of last one mile services in Japan and Asia to enhance customer satisfaction underpinned by customer-driven solutions and cost competitiveness</p> 	<p><b>Basic Group Strategy (2)</b></p> <p><b>Strengthening Governance and Promoting CSR</b></p> <p>Reinforce foundation for business growth and mitigate risks associated with business expansion</p> <table border="1" data-bbox="1098 1895 1482 2040"> <tr> <td><b>Society’s satisfaction</b></td> <td>Provide reliable quality with peace of mind</td> </tr> <tr> <td><b>Employee satisfaction</b></td> <td>Further entrench corporate philosophy</td> </tr> <tr> <td><b>Shareholder satisfaction</b></td> <td>Sound financial standing</td> </tr> </table>	<b>Society’s satisfaction</b>	Provide reliable quality with peace of mind	<b>Employee satisfaction</b>	Further entrench corporate philosophy	<b>Shareholder satisfaction</b>	Sound financial standing
	<b>Society’s satisfaction</b>	Provide reliable quality with peace of mind						
<b>Employee satisfaction</b>	Further entrench corporate philosophy							
<b>Shareholder satisfaction</b>	Sound financial standing							



forward, under the “Value Networking” design, we will seek to increase the speed of customer distribution like never before and while cutting costs and improving quality. In August 2015, we became an official partner of the Tokyo 2020 Olympic and Paralympic Games. As the official domestic shipping partner, we will work to facilitate the smooth administration of the games as well as help make the Tokyo 2020 Games one of the best in history from the standpoint of high value added logistics that balances efficiency and safety and reduced environmental impacts.

### Promoting initiatives for important CSR issues in safety, the environment and governance

The concept of a sound corporate culture cited in “DAN-TOTSU Three-Year Plan STEP” refers particularly to the fulfillment of our corporate social responsibilities. The Yamato Group’s CSR is defined as living up to the trust and expectations of all stakeholders by fulfilling responsibilities in the four areas of safety, the environment, society and the economy, while working to expand our businesses by realizing our long-term management plan following the 10 aspects of our corporate stance, including “respect for human life,” “promoting environmental protection,” and “a corporation trusted by the local community,” which form the heart of the Yamato Group Corporate Philosophy. Based on this, we are working to address important issue with consideration given to our impacts on stakeholders and society as whole (see pages 9 and 10).

In particular, with regards to safety, we operate a fleet of more than 50,000 vehicles and use public roads as part of our transport operations, which makes community-friendly driving as well as ensuring safety on the road of paramount concern. This is why everyone at the Yamato Group is working with a strong conviction to achieving zero traffic accidents and zero occupational accidents (see pages 19 to 24).

In terms of the environment, we refer to environmental protection activities carried out across the Yamato Group as



“Necology.” In addition to the packaging, transport and delivery process of logistics, we are also working diligently to make our other business activities as eco-friendly as possible to ensure that logistics have less of an impact on the environment (see pages 25 to 30).

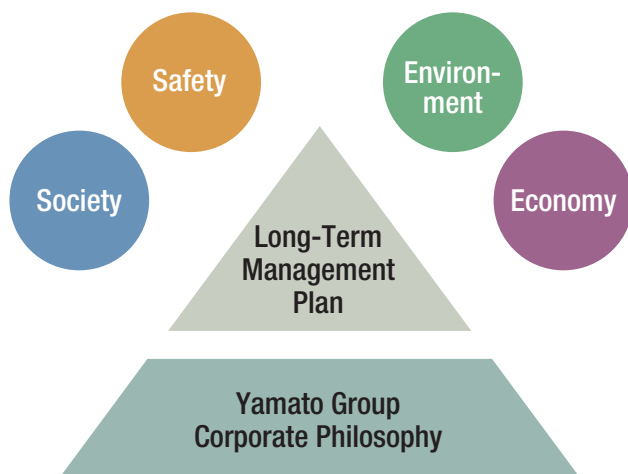
As we move forward with the globalization of our businesses, we became a signatory to the UN Global Compact, a framework advocated by the UN for achieving sustainable growth, in April 2014 and stated our support for the four fields of focus (human rights, labor, the environment and anti-corruption) and 10 principles.

We also recognize the corporate value extends beyond mere financial assessments such as operating income to include customer satisfaction, shareholder satisfaction, and employee satisfaction. We believe that enhancing overall corporate value including CSR activities will link with the continual and sustained growth of the Yamato Group. Going forward, the Yamato Group will make further efforts to become a company most loved and trusted by society. Your continued support is greatly appreciated.

**Masaki Yamauchi**

Representative Director, President and Executive Officer

#### ▼ The Yamato Group’s CSR



The Yamato Group’s CSR activities are deployed with a focus on safety, the environment, society and economy, in accordance with the Yamato Group Corporate Philosophy.

We have established the strengthening of governance and promotion of CSR as one of the three pillars for our basic strategy in the long-term management plan “DAN-TOTSU Management Plan 2019” launched in April 2011.

Efforts to continually build a sound corporate culture will contribute to business activities that comply with laws and align with social norms. In turn this will make it possible for the entire Yamato Group to continue operations indefinitely into the future. For this reason, we are committed to leveraging our collective strengths to promote CSR.

The Yamato Group has identified as well as carries out initiative to manage and maintain materiality based on its unique businesses, strategies, and impacts on society.

The Yamato Group's major CSR initiatives

Safety

With respect for human life as our top priority, we are always striving to achieve safety.

Environment

Under the key word "Necology," we are creating environmentally friendly logistics.

Accident prevention

SO2

Achieving safe workplace environment

LA6

Providing security and peace of mind

CO2 emission reductions

Initiatives during transport

Initiatives at facilities

EN3, 6, 15, 18, 30

Businesses

Delivery businesses

Small parcels  
(TA-Q-BIN, etc.)

Japan

International

- Prevention of traffic accidents →P21

- Proper handling of confidential information

Non-delivery

BIZ-logistics

Improving logistics and storage solutions

Japan

International

- Ensuring Air cargo safety →P23
- Safety measures matched to local traffic conditions

- Assistance with product recalls

Home Convenience

Moving services and delivery and setup of household items

Japan

- Prevention of occupational accidents
- Mental health care

- Home security

Autoworks

Vehicle management services

Japan

- Truck, bus and other vehicle management and maintenance solutions

e-Business

Information system development

Japan

- Securing information security for products and services

Financial

Financial services including payments

Japan

International

- Eco-driving
- Adoption of low emission vehicles
- Promotion of modal shift
- Environmental impact reduction through cooperative transport
- Centralized logistics within large mixed-used buildings →P27

- Energy-saving initiatives
- Utilization of natural energy

Governance

Compliance / Business Continuity Plan (BCP) / Information Security /

\*1 Sustainability Reporting Guidelines: A set of international guidelines that apply to the creation of CSR/sustainability reports.

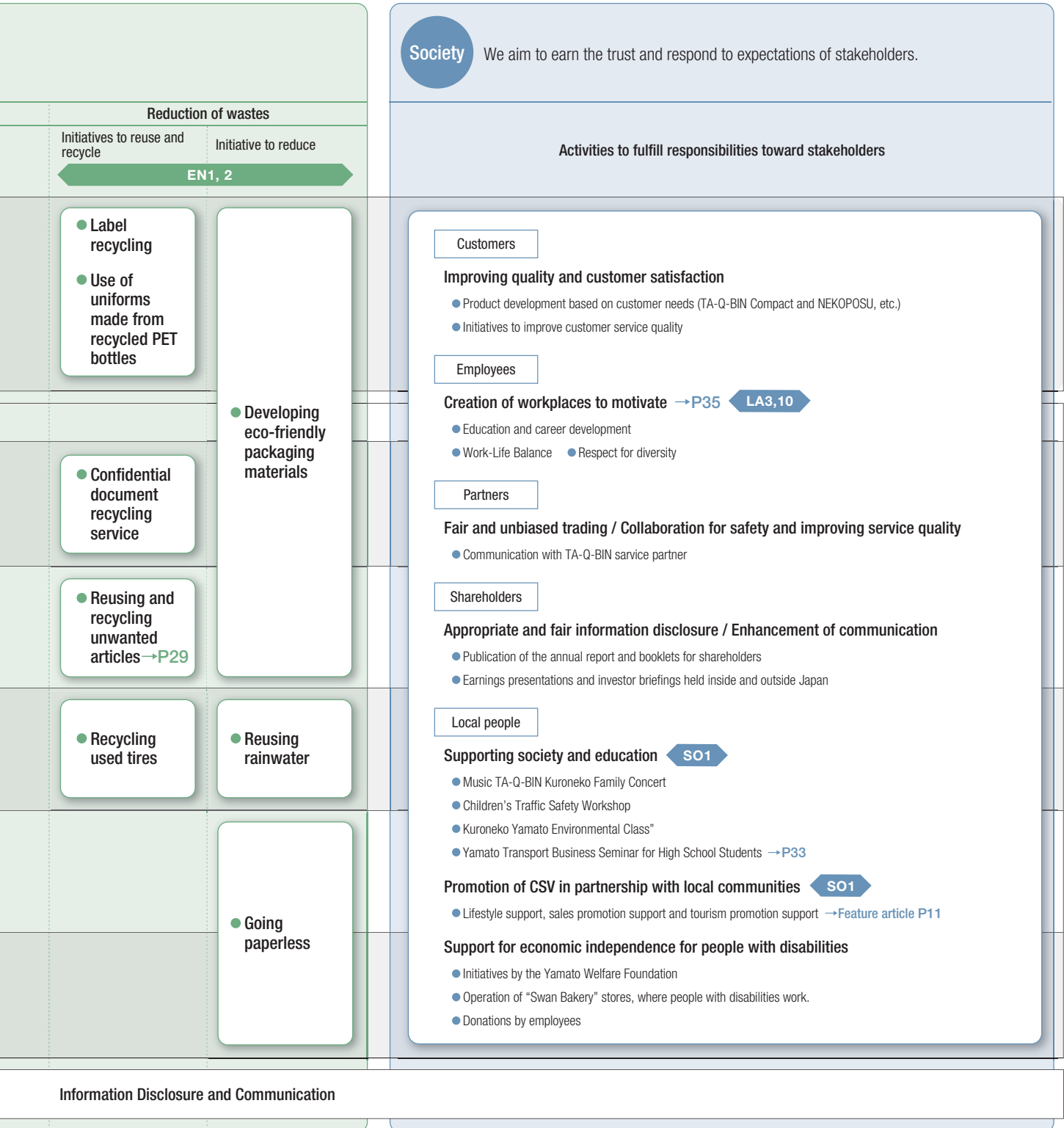
SO2 Operations with significant potential or actual negative impacts on local communities / LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender / EN3 Direct energy consumption within the organization / EN6 Reduction of energy consumption / EN15 Direct greenhouse gas (GHG) emissions (Scope 1) / EN18 Greenhouse gas (GHG) emissions intensity / EN30 Significant environmental impacts of transporting product and other goods and materials used for the

The Yamato Group is working hard to achieve the “DAN-TOTSU Management Plan 2019,” a long-term management plan that aims to expand our delivery businesses, accelerate the growth of our non-delivery businesses, and strengthen our overseas expansion.

As we implement this long-term management plan, the responsibilities that we must fulfill, the expectations of our stakeholders, and our impacts on society will all grow larger.

As we satisfy our CSR in terms of safety, the environment, society, and economy, we have decided the details of our initiatives based on their materiality to the Yamato Group and to our stakeholders, their impact on society, and other factors.

In order to advance our information disclosure in the future, in fiscal 2014 we examined information we disclose for important initiatives referencing the Sustainability Reporting Guidelines Version 4 \*1.



Information Disclosure and Communication

organization's operations, and transporting members of the workforce / EN1 Materials used by weight or volume / EN2 Percentage of materials used that are recycled input materials / LA3 Return to work and retention rates after parental leave, by gender / LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings / SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs

# Aiming to become a company most loved and trusted by society — the Yamato Group's CSV

The Yamato Group's goal is to become "Asia's No. 1 solutions provider in distribution and lifestyle support" and "a company most loved and trusted by society" by 2019 when it will celebrate its 100th anniversary.

To co-exist with and give back to local communities and economies, the Yamato Group is expanding its

Creating Shared Value (CSV) initiatives that seek to create value shared by local communities and the company through its core businesses. Until now, services supporting the lifestyles and livelihoods of people in the local community were mainly shouldered by local governments.

However, these services have been reduced or in some cases the future called into question because of the deteriorating finances of local governments, an increase in the elderly population, and graying of social workers. Japan is also faced with a growing gap between cities and rural areas, the depopulation of regions, and a decline in local industry.

Under "Project G," which stands for government, we are working together with the local governments to help solve community issues by providing a platform that combines the Yamato Groups information technologies (IT), logistics technologies (LT) and financial technologies (FT) for use by local community members, producers, NPOs and companies closely rooted in the community involved in the same business.



#### Watch-over support (Kuroishi City, Aomori Prefecture)

We are helping to watch over elderly residents by delivering local government publications once a month as TA-Q-BIN.



#### Shopping support services (Otoyo Town, Kochi Prefecture)

We take care of the shopping needs of people who cannot travel to the nearest store. In the case of the elderly, we also check to see how they are doing as part of our watch-over service.

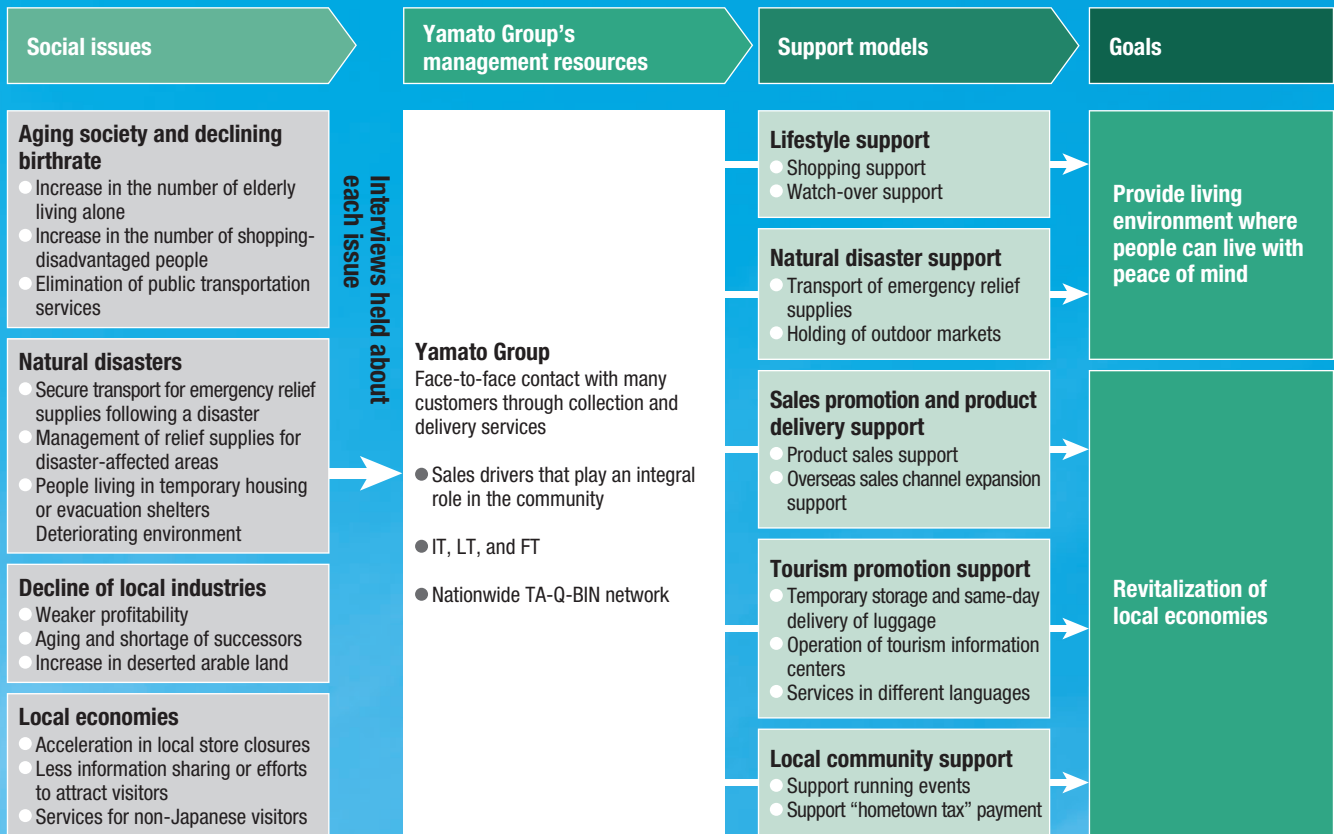


#### Product sales support (Shunan City, Yamaguchi Prefecture)

We collect freshly picked vegetables in the morning and deliver them immediately to roadside stations, helping to motivate farmers who could not deliver their produce on their own.



▼ Goals of “Project G”

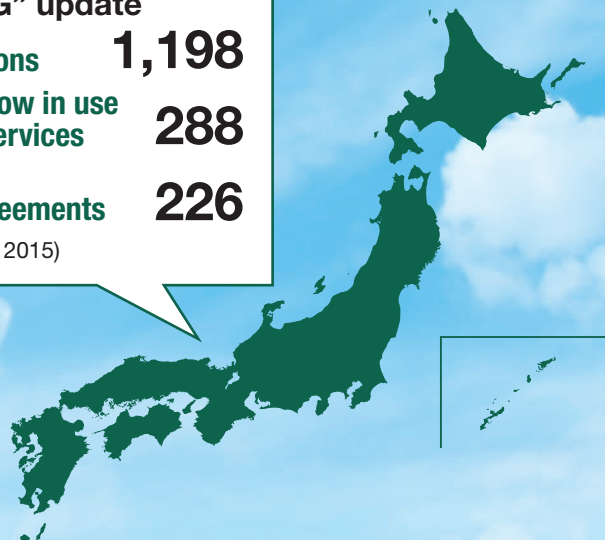


**Tourism promotion support (Osaka City, Osaka Prefecture)**

We opened a luggage storage and delivery service center at OCAT, one of the gateways to Osaka directly connected to JR Namba Station in order to assist travelers to enjoy sightseeing and shopping without their luggage. Fifteen of our similar outlets have been certified by the Japan Tourism Agency as service centers for “hands-free travel.”



**“Project G” update**  
**Total solutions 1,198**  
**Solutions now in use as actual services 288**  
**Partner agreements 226**  
 (As of July 31, 2015)



**Information published online**

View videos  
 Yamato Group's CSV  
 (Japanese language only)



Providing greater peace of mind to elderly living alone

# Initiatives to look after the elderly utilizing our extensive TA-Q-BIN network


Yamato Transport has expanded a number of initiatives for looking after elderly across Japan since 2010 as part of “Project G,” with this process involving a much trial and error.

One such initiative launched in Kuroishi City in Aomori Prefecture in April 2013 has been praised by the local government and local community members as a low cost, easy-to-implement initiative that delivers added peace of mind. Recently, we have started a similar initiative in Fukaura Town, Aomori Prefecture, modeled after the one in Kuroishi City. Some 41.1% of the town’s population is over the age of 65, which is the third highest ratio among any municipality in the prefecture. The town is also faced with a shortage of social workers, which has made it difficult to make individual visits to elderly residents living alone.

As a result, the town has been unable to monitor the health condition of elderly living alone and even unable to know whether these people have changed residences. To assist the town, Yamato Transport concluded an agreement with Fukaura Town Government to provide watch-over services for elderly residents living alone that are linked to its TA-Q-BIN business. Under this agreement, Yamato Transport has begun looking after some 550 elderly residents living alone in the town who are mainly over the age of 70.



Fukaura Town, Nishi Tsugaru  
County, Aomori Prefecture

Information  
published online 

View videos

● Watch-over support  
(Japanese language only)



Sales Drivers (SD) check in  
on elderly residents during  
their deliveries

## Quick and easy implementation using Yamato Transport's existing TA-Q-BIN network

Initially, the Fukaura Town Government considered hiring temporary employees to look after its elderly residents. However, it was unable to immediately increase its workforce with new employees and even if it was able there was still the time and efforts needed to train them. Yamato Transport's initiative for looking after the elderly utilizing its TA-Q-BIN services represented an immediate solution to the town's problem. One of the appealing aspects of this service is that it can be implemented easily and quickly using the company's existing TA-Q-BIN network.

The town now distributes its monthly publications for the elderly through TA-Q-BIN as part of its everyday shipping operations. The results of each Sales Driver (SD)'s visit is collected and reported to the regional support center for the elderly operated



by the Fukaura Town Government. Simply by sending out its publications as usual, Fukaura Town Government can now check whether elderly living alone are in good health or if they are still living at their registered address simply and with certainty. Since launching this service, Yamato Transport found that about 50 elderly individuals had moved and no longer require follow up.

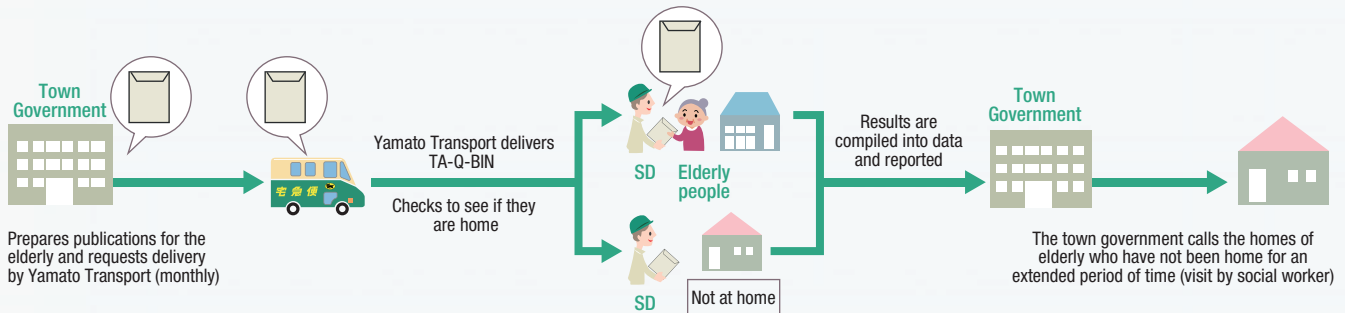
This service was introduced in Fukaura Town's newsletter, which has helped to steadily raise its visibility as a grassroots service for watching over elderly in the community.

Yamato Transport's goal is to provide this service continually without additional cost or burden placed on local governments. Going forward, this service will be tailored to suit the needs of other communities so that new value can continually be generated together with local communities.



Local governments provide publications with useful living information to elderly residents

## ▼ Mechanism for Watch-Over Support Services for the Elderly



### Message from Fukaura Town

Immediate implementation using Yamato Transport's network was a deciding factor



**Josuke Abe**  
Senior Public Health Nurse  
Regional Support Center for the Elderly  
Fukaura Town Government

The fact that Yamato Transport's Sales Drivers are out in the community every day delivering TA-Q-BIN showed that we could immediately introduce a watch-over service utilizing this network. This ability to hit the ground running proved to be a deciding factor.

We have also worked on ways to notify residents about this new service, which has steadily facilitated implementation.

I look forward to working with the Yamato Group in the future to leverage its expertise in solving some of the issues our town faces.

### Message from Yamato Transport

Aspiring to provide even better services



**Masaharu Takahashi**  
Branch Manager  
Tsugaru Nishi Branch  
Aomori District Branch  
Yamato Transport Co., Ltd.

We prepared in various ways to implement this service. One included having all of our Sales Drivers at the Fukaura Center participate in a seminar on how to deal with elderly with dementia.

There was some trial and error after we initially launched the service, but we have made great progress with refining the service while solving issues as they have come up. We hope to provide an even better service going forward.

Expanding the scope of the distribution of agricultural, forestry and fisheries products from Aomori Prefecture

# Helping to dynamically expand sales channels by using Cool TA-Q-BIN to transport products throughout Japan and to international markets

Aomori Prefecture is the northernmost prefecture on the island of Honshu in Japan. The prefecture's food self sufficiency ratio is near 120%, which is almost three times the national average. Aomori Prefecture boasts Japan's largest yield of apples, garlic, greater burdock, and *nagaimo*, and it is also famous for its seafood such as flounder, scallops, and sea urchin, among others. As one way to revitalize the local economy, Aomori Prefecture has announced its intention to more aggressively market its agriculture, forestry and fisheries industries in order to expand sales channels to every corner of Japan and to international markets.

However, conventional distributions systems have limited the service area for next-day delivery of the prefecture's local fresh seafood and greengrocery. In response to this issue facing Aomori Prefecture, Yamato Transport utilized its Cool TA-Q-BIN service to propose a new approach to distribution that significantly expands the next-day delivery service coverage to help deliver the prefecture's fresh agricultural products and seafood nationwide in Japan and beyond to international markets.



Listening to the various needs of customers

Information published online 

- View videos
- Product Sales Support
- Overseas Sales Channel Expansion Support (Japanese language only)





**Increased the ratio of products that could be delivered by the morning of the next day from 7.5% to 84.7%**

In July 2014, Yamato Transport and Aomori Prefecture concluded a partnership agreement for building an integrated transport platform for the prefecture, which marked the beginning of efforts to achieve expedited deliveries of fresh agricultural products and seafood.

First, Yamato Transport established a new arterial route connecting Aomori and Sendai, in addition to its conventional arterial transport routes for TA-Q-BIN. Additionally, shipments bound for Chubu and Kyushu for which next-day delivery was extremely difficult now use the air cargo route connecting Sendai and Osaka, with ground transport used from Osaka. This significantly increased the ratio of products that can be shipped anywhere in Japan by the morning of the next day from 7.5% to 84.7%. This has also made it possible to deliver parcels to



A sticker denoting the parcel is to be shipped via "A! Premium"



Hong Kong and Taiwan, via Okinawa from Osaka, as quickly as the next day.

This service, which greatly expands the distribution potential of Aomori Prefecture products both domestically and internationally through high added-value logistics that maintains freshness and quality with Cool TA-Q-BIN and shortens transit times, was named "A! Premium" and officially launched on April 27, 2015.

The service has seen a steady increase in the number of business users since Aomori Prefecture has actively announced "A! Premium" through presentations as a solution for gaining new business opportunities and for producers and fishermen to increase their income. Business users of the service have been impressed with the benefits that can be gained from small-lot shipments and the joy of delivering their own produce directly to consumers.

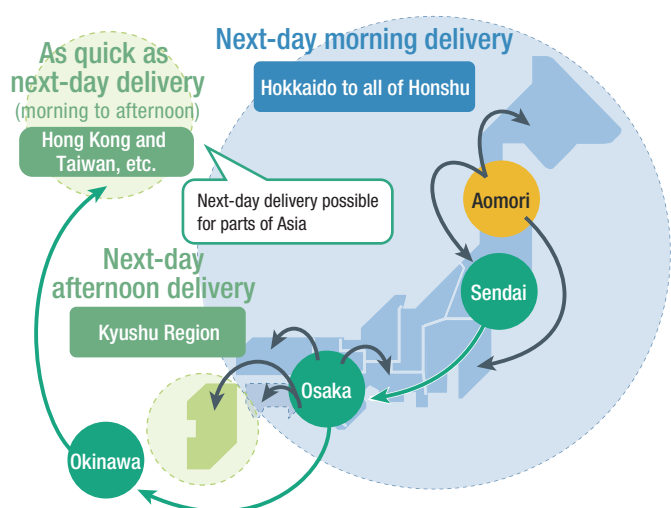
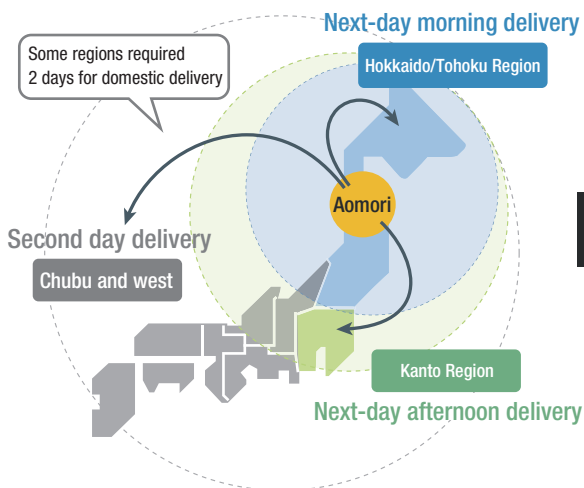


Foods requiring freshness are transported via refrigerated trucks

**Changes in delivery coverage achieved with Yamato Transport's services** → Ground route → Air route

**Before** Percentage of parcels that could be delivered by the morning of the next day **7.5%** (Population coverage ratio)

**After** Percentage of parcels that can be delivered by the morning of the next day **84.7%** (Population coverage ratio)



Expanding the scope of the distribution of agricultural, forestry and fisheries products from Aomori Prefecture

Helping to dynamically expand sales channels by using Cool TA-Q-BIN to transport products throughout Japan and to international markets

### Delivering highly competitive Japanese foods to Hong Kong, Taiwan and Singapore via International Cool TA-Q-BIN

The “A! Premium” has opened up sales channels not only in Japan, but also in international markets where new commercial distribution opportunities are being born.

In February 2015, the trial period for the “A! Premium,” an a high end Japanese restaurant chain in Hong Kong used International Cool TA-Q-BIN to source live scallops from Aomori Prefecture. The restaurant chain’s head was so surprised at the freshness and delicious taste of the scallops delivered to Hong Kong and they began sourcing live scallops, flounder, and live sea urchin from Aomori Prefecture when the “A! Premium” service was officially launched in June 2015. The restaurant chain also organized an Aomori Fair. The restaurant’s sashimi, which was marketed for its freshness received rave reviews from patrons even though the price was around 20% higher than normal.

Yamato Transport launched the world’s first international integrated small-lot cold transport service called International Cool TA-Q-BIN for Hong Kong in October 2013, and in 2015 it expanded the service coverage to Taiwan and Singapore. This makes it possible for fresh agricultural products and seafood to be sold nationwide in Japan and to international markets.



Live scallops from Aomori Prefecture delivered to a Japanese restaurant in Hong Kong



Fresh sashimi served in Hong Kong made from live Aomori scallops

However, conventional distribution systems were only able to cover nearby areas mainly in the Tohoku Region for next-day delivery of fresh seafood or produce. To help Aomori Prefecture with this issue, Yamato Transport proposed to utilize its Cool TA-Q-BIN service usher in a revolution in logistics that significantly expands the next-day service area coverage for fresh local agricultural produce and seafood to every corner of Japan and beyond to international markets.

This initiative to expand sales to international markets is being promoted to other local governments facing the same challenge. For example, in March 2015, Kumamoto Prefecture, together with Yamato Transport, launched a dedicated e-commerce site called Kumamoto Bishoku Club, which sells strawberries, tomatoes, red sea bream and other local products from Kumamoto Prefecture. Yamato Transport has also signed agreements with Ehime Prefecture and Miyazaki Prefecture to expand the distribution of local products to nationwide in Japan and to international markets.

Starting in June 2015, Minamiuonuma City in Niigata Prefecture began showcasing and selling mangos grown in local greenhouses using the heat of hot springs on an e-commerce site in Hong Kong. For these overseas sales, Yamato Transport is providing assistance with not only the money collection, but also the procedures of quarantine and customs clearance and document preparation.

In the future, we will continue to support producers and local governments looking to revitalize the local economy by providing multifaceted support utilizing the “function” and “network” of Yamato Group companies.

#### Message from the head of a Japanese restaurant chain in Hong Kong

Surprised by the freshness and deliciousness



**Ben Yu**

Senior Manager, Sen-ryo  
MAXIM'S CATERERS LTD.

I was surprised by the freshness of the products because they arrived in Hong Kong on the next day after being shipped from Japan. Despite the price of the live scallop higher than normal, it is being a popular item in the menu with 30 orders per day. I believe the freshness of the scallops help us to differentiate from other restaurants.

We plan on importing new ingredients in the future, so I very much look forward to the new products that will be arriving.

#### Message from Yamato Transport (HK) Ltd.

Demand for Japanese food and beverages continue to trend upwards.



**Peggy Cheung**

Sales Executive  
Yamato Transport (HK) Ltd.

The number of Hong Kong visitors to Japan has been increasing in recent years. As the Hong Kong visitors enjoyed the Japanese cuisine very much during their travelling, there is a growing demand for Japanese food in Hong Kong as a result.

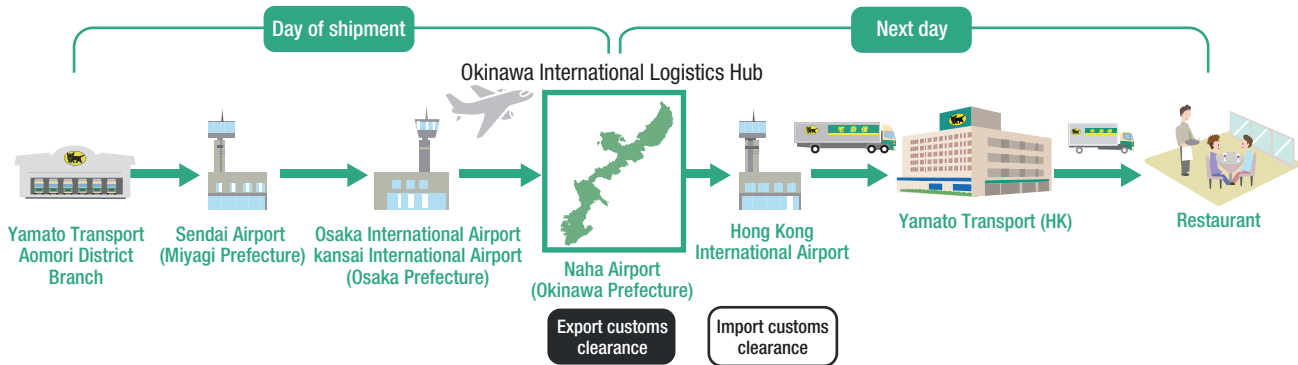
There are more and more Japanese restaurants have been opened in Hong Kong especially those which serve sushi and fresh seafood earned the favor of Hong Kong people. The live scallops delivered via International Cool Ta-Q-Bin have been rated very high by Sen-ryo Sushi.



A Yamato Transport (HK) truck out delivering parcels to customers in Hong Kong

▼ World's first international integrated small-lot cold transport service for Hong Kong – International Cool TA-Q-BIN

Delicious agricultural produce and seafood from Aomori Prefecture can be delivered fresh to Hong Kong via carefully temperature-controlled cold (cold or frozen) transport and shortened lead times using the Okinawa International Logistics Hub that offers customs clearance 24-hours a day 365 days a year.



Message from the Governor of Aomori Prefecture

Now more people can enjoy great local products from Aomori Prefecture

Aomori Prefecture, because of its distance from major consumer centers such as Tokyo, faces the three kinds of logistics challenges of time, distance and cost. In the past, we have been unable to deliver great tasting Aomori products to customers outside the region the way we wanted to. Since becoming governor, I have pushed forward with an aggressive approach to marketing agriculture, forestry and fisheries products and in July 2014 we concluded an agreement with Yamato Transport to receive assistance with these issues in terms of logistics.

Under this agreement, in April 2015 we launched "A! Premium," an all new transport service that leverages the speed and integrated cold transport capabilities of Yamato Transport to deliver products made in Aomori Prefecture earlier, quicker, cheaper, and to more distant markets than ever before. A! Premium has helped us to overcome the geographic handicap of Aomori Prefecture and make it possible to deliver fresh and delicious vegetables, fruit and seafood from the prefecture to the rest of Japan and to customer in international markets. This achievement is something I am very grateful for. I hope to invigorate efforts across the entire prefecture to ensure that we can maximize this great opportunity.



Shingo Mimura Governor of Aomori Prefecture

## Formulation of safety plans

### Plans to assure transport safety SO2 LA6

**288** Safety Experts stationed nationwide

At every District Branch, Yamato Transport Co., Ltd. has stationed safety training directors. These experts in safety measures provide safety instruction to Sales Drivers.

### Acquisition of the Excellent Safe Driving Business "G-Mark" at 2,402 offices

Yamato Transport (J) is working to become a safer company by acquiring the G-Mark\* at its offices.

\* Symbol mark for an Excellent Safe Driving Business awarded by the Japan Trucking Association.

**4** major accidents

( 4 major traffic accidents in the group overall, 0 major occupational accidents )

The Yamato Group aims to reduce traffic accidents to zero. Every year, Yamato Transport (J) formulates a plan to assure transport safety, and displays posters providing information on safety goals and initiatives at all offices.



Poster for plans to assure transport safety

## Training of sales drivers

### Education to improve skills

Sales Drivers who have received ride-along instruction from Safety Experts

**26,166**

Trainees who have taken classes from safety expert lecturers

**46,617**

At all 69 District Branches in Japan, Yamato Transport (J) appoints three instructors with expert knowledge, one in each of three skills: laws and regulations, practical traffic safety, and health and safety.

### Safety information magazine and safety calendar

Yamato Transport (J) publishes the safety information magazine "Safety First" with safe driving tips and other information for Sales Drivers, the "Driver's Safety Handbook" carried by all Sales Drivers, and the "Safety Calendar" that aids in training to improve risk sensitivity.



Ride-along instruction by Safety Experts

## Promotion of safety awareness among employees

### Implementation of the Zero Traffic Accidents Campaign

The Yamato Group implements the Zero Traffic Accidents Campaign every spring and autumn. Yamato Transport (J), which has conducted the campaign continually since 1970, conducted the autumn fiscal 2014 Zero Traffic Accidents Campaign with the aim of achieving zero accidents under the theme of enforcing basic rules and being protective of children, the elderly, bicycles, and motorcycles.



Autumn 2014 Zero Traffic Accidents Campaign poster

### Initiatives to prevent occupational accidents

The Yamato Group performs internal sharing of information on near-miss incidents that can lead to major accidents, and formulates and carries out measures to achieve safe workplace environments. In addition, all group companies implement measures such as forklift safety seminars and Safety Week, which aims to improve safety consciousness.

**SO2** Items with notable negative impacts (real and potential) on communities

**LA6** Type of injury, ratio of injuries / number of illnesses on the job / number of days of leave / absences and number of deaths on the job (by region, by gender)

## Promotion of safety awareness among employees

### ● Commendations and contests

#### Yamato Transport Nationwide Safety Meet

At this safety meet held by Yamato Transport (J), 45 winners of meets at branches nationwide, at Okinawa Yamato Transport, and at Yamato Global Express competed on safety consciousness and driving technique.

#### Long-Running No-Accident Commendation awardees **8,620**

Every year, Yamato Transport (J), Yamato Home Convenience, Yamato Global Express, and Yamato Multi Charter commend Sales Drivers who excel in safe driving and who remain accident-free.



Yamato Transport Nationwide Safety Meet

## Maintenance of equipment and safety systems

### ● Vehicle maintenance

#### Vehicle maintenance plant Superworks **22** sites

Superworks are Yamato Autoworks' 24-hour, 365-day maintenance plants that feature greatly enhanced work efficiency. Of the company's 71 plants nationwide, 22 have been designated Superworks.

#### Mechanics About **880** (including 650 with vehicle inspector qualifications)

Yamato Autoworks actively supports its mechanics' acquisition of vehicle inspector qualifications in addition to normal mechanic qualifications. This enables the mechanics to perform completion inspections and confirm that vehicles conform to safety standards following maintenance.



Vehicle maintenance at a Superworks plant

### ● Adoption of equipment and tools

#### Enforcing driver's license checks through the adoption of IT systems

In addition to visual confirmation of licenses, Yamato Transport (J) uses portable information devices to check IC card licenses, providing support for operation management work and enforcing compliance through IT.

#### Adopting See-T Navi in delivery vehicles to support safe and Earth-friendly driving

#### About **32,000** vehicles (cumulative)

The See-T Navi vehicular system developed by Yamato Transport (J) supports safe driving with features including the digitizing of complete delivery route maps.



See-T Navi installed in a delivery vehicle

## Overseas rollout of measures to assure safety

### ● Safety measures matched to local traffic conditions

Our company holds a Drivers' Contest safety meet in Singapore and Malaysia, and also participates in safety events.



Drivers' Contest in Singapore



Road Safety Carnival in Malaysia

# Engaging in long-distance arterial transport and B2B logistics based on “safety first, business second”

We are firmly committed to the principle “safety first, business second” in various aspects of long distance arterial transport connecting Japan’s cities through TA-Q-BIN and B2B logistics that includes charter services. Our female sales drivers continue to play a more integral role in our operations and we have spearheaded unique “safety first” efforts for these drivers.

## ▼ Initiatives by the numbers

Long-running no-accident commendation awardees\*

**8,620**  
(fiscal 2014)

\* Every year, Sales Drivers who excel in safe driving and who remain accident-free are commended or awarded based on the number of years and distance driven accident free.

### Q What is needed to ensure long distance transportation safety?

A A work schedule that is not overly demanding of Sales Drivers and Sales Drivers who won’t push themselves too far (Yamamoto).

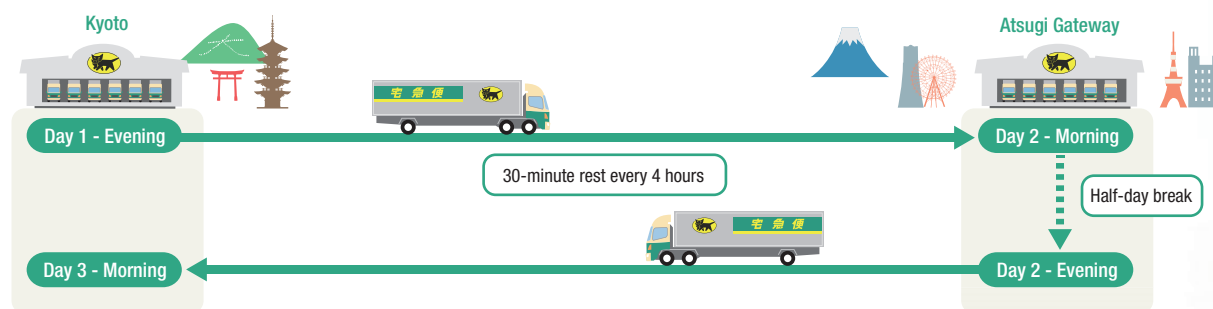


Whenever I say I’m a driver for the Yamato Group most people think of TA-Q-BIN, but I actually work for Yamato Multi Charter, so I drive 10-ton trucks on inter-urban arterial routes. I drive around to Yamato Transport’s branches in the Kansai area to collect parcels and then use arterial routes to drive to major parcel sorting terminals called “bases” that are located throughout Japan.

For example, when driving from Kyoto to the Atsugi Gateway in Kanagawa Prefecture I’ll cover a distance of about 480km. I leave Kyoto at night and arrive the next morning in Atsugi. After a half day off, I’m back on the road that night leaving Atsugi and arriving in Kyoto the next morning. Overall my work schedule is a total of three days. When driving I’m required by law to take a 30 minutes rest every four hours, so I stop at parking areas or other places along the expressway where I take a quick power nap.

When on the road I always make it a point not to push too hard. I leave adequate space between the vehicle in front of me and make it a point to avoid the passing lane whenever possible. I make it a point to practice the Yamato Group’s principle of “safety first, business second.”

## ▼ Work schedule for long-distance arterial transport (Kyoto to Atsugi)



Breathalyzer tests are administered prior shifts to measure the amount of alcohol in a driver’s breath



Inspection of wheel bolts prior to leaving



Expressways are essential to long-distance transport

## Q How do you learn safe driving practices?

A I study information from past accidents and take part in driving skill competitions (Minami).



Unlike Ms. Yamamoto, I drive 2-ton trucks to collect and deliver charter service parcels between companies in urban areas. Although our workplaces are different, my commitment to safety is exactly the same. I've been a truck driver for many years, but my awareness of safety has increased a great deal since joining the Yamato Group. After driving in the same neighborhoods every day you get to know where you need to even greater attention such as school zones. Being constantly aware of these locations where extra attention is needed means that instead of not speeding I can no longer speed. Case studies of actual traffic accidents are shared with employees, so I use this knowledge to improve my driving.

Participating in outside driving skill competitions has also improved my safe driving practices. In 2013 and 2014 I won the Female Driver 2-ton Vehicle Category of the Kyoto Prefectural Truck Driver Contest and took part in the national competition. At the national competition, I was able to watch and learn the driving practices of leading drivers from across Japan and also talk with them about driving. This refined my driving skills and has boosted my motivation even further.

## Q What are some of the future challenges female drivers face?

A Striving to maintain safe driving habits while being fully aware of one's important responsibilities as a driver (Yamamoto).



Whenever I'm walking with my children along the road I feel scared every time a large truck passes by. This is why I always drive with pedestrians close in mind. You can't rush when driving, and when parking I maneuver the truck very carefully and cautiously. Passersby who've seen me driving this way have praised me for being a kind driver.

In the future, the Yamato Group plans on opening the Mikawa Gateway in the Chubu Region and a new gateway in the Kansai Region as well, to complement the Atsugi Gateway, a major logistics terminal, with the goal of realizing same-day deliveries in the Tokyo, Nagoya and Osaka areas. As the frequency of arterial transport used to connect these major terminals increases, our jobs will become even more important. I will live up to the principle of "safety first, business second" and continually strive to practice safe driving habits.

### Takako Minami

BC Kyoto Branch  
Yamato Multi Charter Co., Ltd.

20 years of experience as a truck driver  
Joined the company in 2013

## Message from the Kyoto Prefectural Trucking Association

### The Yamato Group's drivers have both the skills and manners of professionals

The Kyoto Prefectural Trucking Association is an organization whose members comprise trucking companies located in the prefecture. Every year in June we host the Kyoto Prefectural Truck Driver Contest in an effort to improve drivers' skills and prevent traffic accidents. Participants from the Yamato Group always exemplify the skills and manners of professionals that serve as a model for other companies to follow. Every year these drivers score highly.

In the future, in addition to traffic safety, we will encourage companies to obtain the G-Mark\*, which is a standard used to select truck companies that offer customers high levels of safety and peace of mind. We also hope to gain the cooperation of customers in spreading the word about these activities to make them more widely visible.

### Hirohata Komatsu

Operations Section  
Business Improvement Department  
Kyoto Prefectural Trucking Association

\* Symbol mark for an Excellent Safe Driving Business awarded by the Japan Trucking Association

## Information published online



Ensuring Long Distance Transport Safety as seen in pictures

### Mariko Yamamoto

Kyoto Branch  
Yamato Multi Charter Co., Ltd.

14 years of experience as a truck driver  
Obtained her truck license in 1998  
Joined the company in 2013



# Dangerous Goods/Security Promotion Masters helping to prevent undeclared dangerous goods from being loaded onto aircraft

Yamato Global Express engages in the air express business and international TA-Q-BIN business. Starting in 2009, the company began training employees to become Dangerous Goods/Security Promotion Masters to support safe air transport operations. The role of these professionals is increasing in importance with the rise in the number of air express shipments.

## ▼ Initiatives by the numbers

Dangerous Goods/Security Promotion Masters\*

(Yamato Global Express Co., Ltd.)

**73** (As of June 2015)

\* Employees with sufficient knowledge and understanding of dangerous goods and security and who can instruct and train others

## Q What are some goods that cannot be shipped by air?

A Dry ice, cans of hair spray and other dangerous goods (Miura).



Air express services are used by a large number of customers as a quick and convenient way to send parcels. However, senders need to know that certain goods not considered dangerous on the ground are considered to be dangerous goods under the Civil Aeronautics Act. For example, high pressure spray cans used for cosmetics or hair spray cannot be shipped via air. Also, the Enforcement Ordinance of the Civil Aeronautics Act stipulates that dry ice used to keep goods cold cannot be shipped by air unless it is declared and satisfies certain conditions. Therefore, when using air express services, I ask customers to check the back of their label and other information provided to customers and if their parcel contains dangerous goods, then I ask them to remove them from the parcel or to declare it in advance.

In addition, the Yamato Group is striving to ensure that undeclared dangerous goods do not make it onto airplanes to ensure safe air transport. Specifically, the declared contents are checked and outside packaging inspected at the time of Sales Driver collection, when a parcel is shipped from a service window and when sorting parcels. Yamato Global Express, as a handler of air cargo, also uses an x-ray machine to inspect parcels. If undeclared dangerous goods are found, the sender is contacted and asked how to address the matter. Within these efforts, the 73 Dangerous Goods/Security Promotion Masters stationed nationwide in Japan (as of June 2015) play an integral role.

Pictured from left

**Satoshi Ando and Mei Maruyama**

Dangerous Goods/Security Promotion Masters

**Keiichi Miura**  
Base Head

Kanto Chronogate Base  
Kanto District Branch  
Yamato Global Express Co., Ltd.

We work to ensure safe transport at the Kanto Chronogate Base, which sorts air express parcels bound for Haneda Airport.





## Q What is the role of a Dangerous Goods/Security Promotion Master?

A We make sure undeclared dangerous goods are not loaded and support the convenience and safety of air express services (Ando).



Dangerous Goods/Security Promotion Masters are expert employees who have passed in-house testing and at least one is assigned to work for every location that accepts air cargo shipments. Our role is to conduct x-ray screening of parcels and detect and remove dangerous goods in order to protect the safety of air transport. In addition, we also train and educate other employees about dangerous goods and how to spot one.

We have to pay attention to air cargo in various ways, but when it comes to speed nothing beats air express services. I'm in charge of loading the final flight out of Haneda Airport and customers have raved about the convenience of having parcel delivered by 9:00am the next morning. To respond to such customer needs, Dangerous Goods/Security Promotion Masters take the lead in ensuring the undeclared dangerous goods do not make it onto the airplane to ensure safe air transport.

## Q What is your future goal?

A I hope to hone my knowledge and skills to contribute more to air safety and security (Maruyama).



I became a Dangerous Goods/Security Promotion Master in 2009 and even since I have maintained a doubly strong commitment to ensure safety in air transport. Every day at work I have to be on my toes to ensure that not only myself, but other staff that I supervise, too, don't miss an undeclared dangerous goods. My daily work has made me keenly aware of the importance of Dangerous Goods/Security Promotion Masters.

I took part in our company's first dangerous goods prevention contest held in June 2015 as a representative of the Kanto District Branch, where I competed with Dangerous Goods/Security Promotion Masters selected from across Japan in terms of our skills and knowledge. Unfortunately I didn't win, but I found myself motivated at the sight of other competitors' accurate and speedy techniques. In the future, I will hone my knowledge and skills further to make even greater contributions to air transport safety and security.

Message from  
ANA Cargo Inc.



## We expect that a initiative driving safety in the air cargo industry

ANA Cargo uses its domestic and international networks flown by cargo and commercial airplanes to deliver global air cargo services. We receive parcel from the Yamato Group to place on our aircraft for airborne shipments. Since introducing the Dangerous Goods/Security Promotion Master Program in 2009, we have yet to find even one parcel from the Yamato Group with an undeclared dangerous goods, which demonstrates to me the effectiveness of this program.

The Yamato Group's dangerous goods prevention contest started in 2015 and other initiatives represent a driving force behind safety in the air cargo industry. I expect the Yamato Group to share and promote these initiatives as a model for other companies in the industry to follow.

### Noriaki Kajima

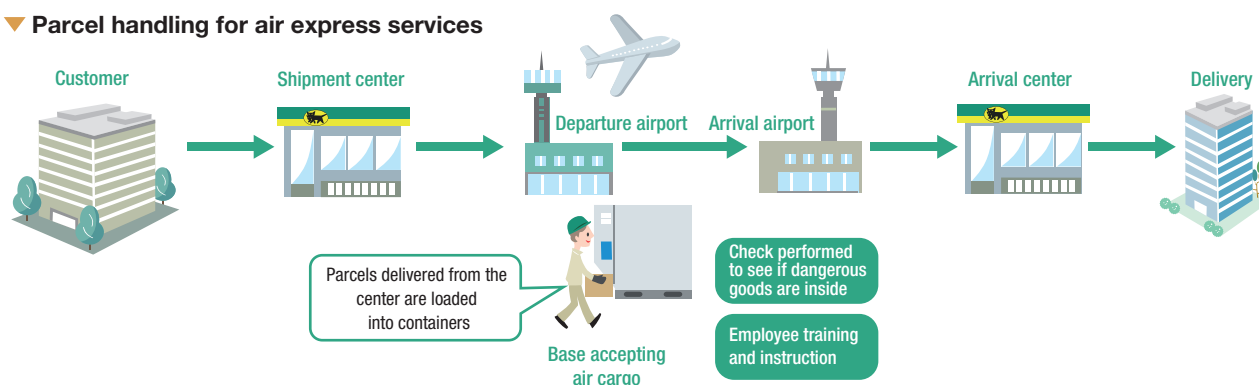
Senior Vice President  
General Manager  
Domestic Cargo  
ANA Cargo Inc.

Information  
published online



Ensuring Air Cargo Safety as seen  
in pictures

## ▼ Parcel handling for air express services



Checking each parcel with an x-ray machine



Loading parcels that passed the inspection into an air cargo container

# Necology

## Environmental Protection Declaration (Necology Declaration)

Yamato Group refers to our environmental conservation initiatives as "Necology." With environmental conservation a part of a corporation's responsibility to society, we encourage all employees to be constantly aware of environmental conservation as they conduct their daily tasks, in addition to ensuring that our corporate activities remain environmentally friendly.

We establish environmentally-friendly logistics by ensuring environmental friendliness in all aspects of transport, especially in packaging, transportation, and delivery.

We are committed to becoming a company that works hand in hand with the community to build a better society through the provision of these environmentally-friendly products and services.

\* Necology: "Neco" comes from the Japanese word for "cat," found in the emblematic logo of the Yamato Group. We have given the name "Necology" to the movement by which this "Neco" (i.e., Yamato) engages in "ecology," and are communicating that name to society.

## Eco in transport



● Using low-emission vehicles, hand-pushed trolleys, and three-wheelers in delivery

New three-wheelers  
Adoption of about **4,700** three-wheelers  
(electric bicycles with trailers)

### TOPICS

In new business plans based on the Industrial Competitiveness Enhancement Act, and with approval from the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure and Transport, Yamato Transport (J) and Yamaha Motor Company are conducting demonstration tests of safety and efficiency in delivery work using commercial-use power-assisted bicycles with enhanced power boost.

Low-emission vehicles  
Adoption of about **23,000** vehicles  
(46% of all Yamato Group vehicles)

In our pursuit of delivery that avoids the use of vehicles whenever possible, the Yamato Group is making use of new three-wheelers and hand-pushed trolleys. For vehicles that are required, we are making a shift to low-emission vehicles.

● Every individual employee will drive at all times in an environmentally-friendly manner.

Adopting our unique safety and ecological navigation system in approximately a cumulative 32,000 delivery trucks

The unique See-T Navi vehicular system of Yamato Transport (J) boosts the precision of eco-driving through visualization of fuel and other driving conditions.

● Promoting joint operations with other logistics providers and modal shift using trains and seafaring vessels

Total volume handled by rail and marine transportation

About **490,000** tons  
(Fiscal 2013: About 510,000 tons)



New three-wheelers



Electric vehicle



Hand-pushed trolleys

## The Yamato Group's CO<sub>2</sub> emissions EN18

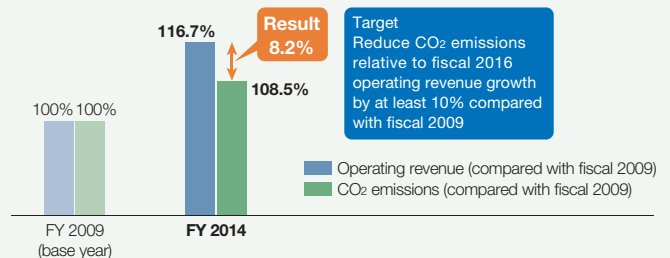
### Targets for fiscal 2014-2016:

Reduce CO<sub>2</sub> emissions relative to fiscal 2016 operating revenue growth by at least 10% compared with fiscal 2009

### Results in fiscal 2014:

CO<sub>2</sub> emissions by the Yamato Group were 877,104t-CO<sub>2</sub> (98.7% of emissions in the previous fiscal year).

Operating revenue (including internal sales) was 116.7% that of fiscal 2009, while CO<sub>2</sub> emissions were 108.5% the level of fiscal 2009. Relative to growth in operating income, growth in CO<sub>2</sub> emissions was held down by 8.2%.



EN15 Direct greenhouse gas (GHG) emissions (Scope 1)  
 EN18 Greenhouse gas (GHG) emissions per basic unit

## Eco in facilities

- Every employee will endeavor to minimize energy consumption and practice energy saving activities.

Display of Environmental Protection Declaration posters and indoor temperature setting stickers in all Yamato Group offices

We are working to conserve electricity by enforcing "Cool Biz" light summer wear and by reducing unneeded lighting.



Indoor temperature setting sticker



Environmental Protection Declaration poster

- We utilize renewable energy sources and promote the conservation of energy at our facilities

Adoption of the latest environmental technology at Haneda Chronogate

Incorporating the latest environmental technology that makes use of natural energy, we anticipate a CO<sub>2</sub> reduction of 46% compared to conventional facilities.

- We promote green purchasing, recycling, and paperless offices

Green purchasing ratio **84%** or more  
 (Improvement of 2% or more from fiscal 2013)

We strive to select and purchase items with the least impact on the environment.

## Eco in products

- We develop and promote products using returnable materials and other environmentally-friendly products

Development and promotion of environmentally-friendly packaging materials

The Yamato Packing Technology Institute has developed packaging material that does not require package cushioning, and packaging material that can be easily separated from other waste.



Neco fit, which requires no cushioning



Precision instrument box that enables easy waste separation

- We propose work efficiency solutions and contribute to customers' energy conservation

Provision of services that leverage information communication technology (ICT)

We provide joint transport services for products, joint usage-type online statement notification services, and other services to support more efficient work by customers in a variety of industries.

## Eco with local communities

- As a member of local communities, we participate in community environmental conservation initiatives.

Active participation in local cleanup campaigns



Participating in a clean-up campaign

- We hold environmental classes to convey the importance of the environment

The Kuroneko Yamato Environmental Class

**228** times during the year  
**15,820** participants

Held a cumulative 2,789 times 208,434 participants

## CO<sub>2</sub> emissions from Yamato Transport (J) vehicles EN15 EN18



● CO<sub>2</sub> emissions (thousand t-CO<sub>2</sub>)<sup>\*1</sup>  
 ■ CO<sub>2</sub> emissions per basic unit (g-CO<sub>2</sub>)<sup>\*2</sup>

\*1 Figures are calculated in accordance with the Ministerial Ordinance on Calculation of Greenhouse Gas Emissions Arising from Business Activities of Specified Emitters.

\*2 CO<sub>2</sub> emissions per basic unit = Total CO<sub>2</sub> emissions / Number of parcels delivered via TA-Q-BIN service + Number of Kuroneko Mail packs (TA-Q-BIN equivalent)

# Centralized logistics within large mixed-use buildings that streamlines operations and reduces environmental impacts

Yamato Transport’s Building and Town Management Service helps customers to establish a dedicated logistics infrastructure for large mixed-use buildings. This service has been rolled out at Toranomon Hills, which is a mixed-use building with a hotel, residential units, office space, conference facilities and restaurants, where it is helping to streamline the movement of goods within the development and to reduce environment impacts.

## ▼ Initiatives by the numbers

Time required to park delivery vehicle and process parcels

Conventionally:  
**approx. 40 minutes\***



Centralized logistics within buildings:  
**approx. 10 minutes**  
(shortened by approx. 30 minutes)

\* Required time at buildings similar in size to Toranomon Hills (Yamato Transport study)

Building and Town Management Service track record

**108 locations**  
(As of March 31, 2014)



**Q What is centralized logistics within large mixed-use buildings? Why does it reduce environmental impacts?**

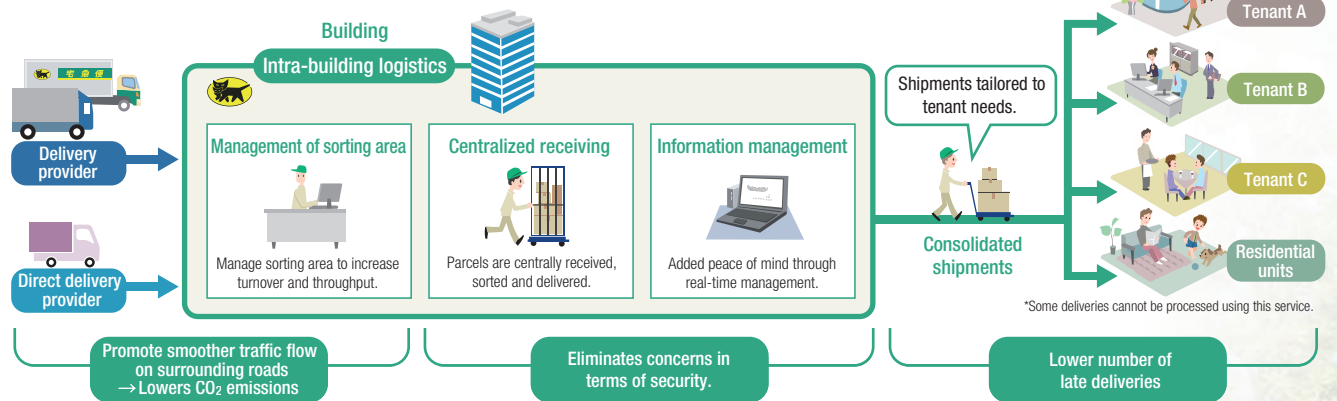
**A The streamlining of collection and delivery services helps save energy. (Kubo)**



In the case of a large mixed-use building, parcels are delivered to individual tenants, so a number of different delivery providers will enter the same building. In some cases, this leads to congestion in the building’s parking lot and parcel sorting area, which in turn has caused the late delivery of parcels to tenants. There are also times when delivery trucks that could not enter the parking lot or parcel sorting area have to wait along neighboring streets, which has caused increased CO<sub>2</sub> emissions from idling vehicles and traffic congestion, negatively impacting the surrounding community. Yamato Transport developed the Building and Town Management Service as a solution to these issues.

At Toranomon Hills, a building located in Tokyo’s Minato Ward that has introduced this service, our employees are onsite 24 hours a day as the exclusive shipping provider to receive and deliver packages for the entire building using an intra-building logistics infrastructure. Normally for a building of this size, parcels are unloaded from trucks, taken inside the building and delivered, which takes about 40 minutes, but in the case of Toranomon Hills, we are responsible for all receiving and final deliveries, with other shipping providers simply unloading their parcels, which means the entire process takes only about 10 minutes. As a result, we have reduced congestion in the parking lot and sorting area, promoted better traffic flow in the neighborhood, improved delivery truck fuel economy, and lowered CO<sub>2</sub> emissions. Inside the building, Yamato Transport is the only delivery provider, improving security, which has been welcomed by Mori Building, the building owner, and tenants.

## ▼ Framework and benefits of the Building and Town Management Service (centralized logistics within large mixed use buildings)



Yamato Transport’s job is to receive parcels from the sorting area



Individual small refrigerated storage units for deliveries intended for restaurants



Transporting parcels to stores

## Q The staff is wearing uniforms different from Yamato Transport's Sales Drivers. Why is that?

A These uniforms were specially designed for operations inside this building and they are environmentally friendly (Kubo).



These uniforms are unique to the Building and Town Management Service for Toranomon Hills.

We chose a black and grey color scheme for these uniforms, which is much different from Yamato Transport's normal attire, because we wanted staff to blend in with their surroundings so as not to stand out among visitors, shoppers, or people eating a meal. We also wanted tenants who have contracts in place with other shipping providers to use our services without any constraint. The jackets are made from pieces of wool fabric that are normally thrown out. The polo shirts are made in a factory with BSCI certification to ensure fair labor practices are followed, which also gives consideration toward the environment, safety and health. The uniforms have been a huge success with both employees and tenants alike.

## Q What are your future goals for this service?

A We will work to further improve customer satisfaction (Kubo).



The Toranomon Hills Center has a workforce of around 30 employees. Every day we deliver parcels and packaging materials to tenants, collect parcels and returnable materials, and solicit requests and feedback. We have developed close relationships with tenants so that we can ask about and help solve issues, which has enabled us to improve our services further.

For example, we have developed a number of options, such as mechanisms to improve work efficiency like the control for entering and leaving a building and pre-opening deliveries, as well as temporary luggage storage, porter services, and deliveries for luggage-free tourism, among others. We often talk with tenants and Mori Building about how they like our services or how we should improve existing services so that we can expand and augment these services. Our goal in the future is to improve customer satisfaction even more.

Message from  
Mori Building  
Co., Ltd.



### Working together to create new services for the future

When selecting the logistics provider for Toranomon Hills, Yamato Transport's proposal aligned with our vision for revitalizing the surrounding area, and the company's approach to operations and willingness to try new things was also a good match. This is why we decided to entrust the logistics management operations of Toranomon Hills to Yamato Transport. Since opening, Yamato Transport's services, including responding to the precise delivery time requests of tenants' customers, have been received very positively.

I hope Yamato Transport, as an expert in the field of logistics, will continue to provide proposals for new services that benefit customers so that we can together make these services a reality.

### Takahiro Fujiwara

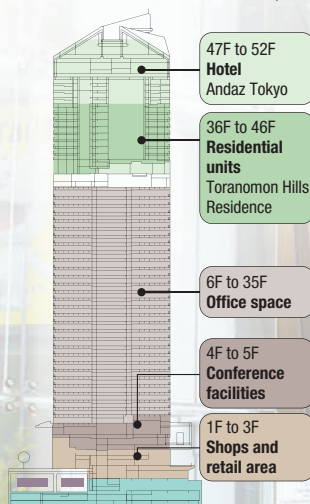
Assistant Group Head  
Toranomon Management Group  
Building Management Department/  
Facility Management Department  
Mori Building Co., Ltd.

Information  
published online



Building and Town Management  
Service as seen in pictures

### ▼ Toranomon Hills (Minato Ward, Tokyo)



Pictured at center  
**Miyuki Kubo**  
Center Director  
Toranomon Hills Center  
Shin-Tokyo District Branch  
Yamato Transport Co., Ltd.

Kubo has been in charge of a number of intra-building logistics services since joining Yamato Transport. She was assigned to Toranomon Hills from before its opening to direct preparations.



# Promoting “Necology”\* by reusing unwanted home electronics and furnishings

Yamato Home Convenience Co., Ltd., which delivers and helps set up home electronics and furniture, also collects unwanted home electronics and furnishings.

Instead of disposing of these items, Yamato Home Convenience refurbishes them for rental or to sell. This service has received acclaim because it is environmentally-friendly and economically.

\* A collective term used to describe the Yamato Group’s environmental preservation activities. See page 25.

## ▼ Initiatives by the numbers

Collection of unwanted home electronics and furnishings

About **45,000** items annually

Refurbished as rentals

**36,466** items annually

Sales outlets (recycling center)

**8** stores nationwide

(The above data is as of March 31, 2015)

**Q** Does your moving support business collect many unwanted home electronics and furnishings?

**A** We reuse collected items for rentals and also sell them (Masuda).



The Home Appliance Recycling Law stipulates recycling fees so that manufacturers will recycle unwanted home appliances in a responsible manner. For example, when disposing of a small personal refrigerator, the consumer has to pay a 3,600 yen recycling fee, which is added on top of the collection and shipping charge. Additionally, unwanted home furnishings incur a disposal fee as well. As a result, when Yamato Home Convenience assists with a move, we collect items that are no longer wanted but can be used basically free of charge. We will buy back certain items as long as they are less than six years old. Throwing out items that can be reused is not only wasteful, but is harmful to the environment.

We refurbish these home electronics and furnishings and then sell them at eight recycling centers located across Japan. We have also launched the Kuroneko Omakase Rental service that rents home electronics typically to customers living alone for a short period of time due to a temporary relocation for work reasons. This service has become quite popular because it is environmentally-friendly and economically since the refurbished home electronics can be rented for a reasonable price. This business was launched in 2009 and since then we have seen our customer base and staff increase three fold. Recently, we have seen an increase in corporate customers as well.

Pictured from left  
**Fumiharu Masuda**  
Tokyo Field Support Center  
Haneda Chronogate  
Yamato Home Convenience Co., Ltd.

Masuda is one of the early contributors to the Kuroneko Omakase Rental service in the Kanto region. His goal is to grow the business further in the future.

### Rika Misawa

Misawa is working on product quality improvements as a person responsible for cleaning and confirming the operation of the three major home electronics.



**Q Is the quality of refurbished home electronics and furnishings acceptable?**

**A** We thoroughly refurbish articles by cleaning them, checking their operation and making repairs when necessary, so they can be used with peace of mind (Misawa).



I'm in charge of the cleaning and operation confirmation processes of unwanted home electronics. For example, we not only inspect and clean the outside of all washing machines and refrigerators, but the interior as well. We also spin the drum of washing machines to make sure they function correctly and check the cooling ability of refrigerators. We have check sheets in place for each type of home electronics and always work carefully to make sure that refurbished products can be used with peace of mind.

Various innovations are needed to refurbish individual home electronics, such as cleaning based on the degree of dirtiness and methods for efficiently inspecting each item. I take great pride in the fact that the home electronics I helped to clean and refurbish can be used again with peace of mind even though they would have been disposed of otherwise.

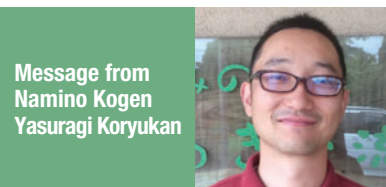
**Q What is your future goal for refurbished products?**

**A** I hope to continue meeting the needs of various customers (Masuda).



Our Recycling Centers, where we sell refurbished products, are found in eight locations across Japan. To meet the needs of customers who want to see the refurbished product in person but they don't live near a Recycling Center, we also offer traveling sales throughout Japan. These outreach sales referred to as Kuroneko Caravan were launched in 2011 and in fiscal 2014 we held sessions 200 times. This sales format has been quite popular among customers and there are repeat customers who drop in every time looking forward to seeing the selection. For example, in Aso City, Kumamoto Prefecture, we took part in an event for revitalizing the local community together with local residents which made use of the site of a closed elementary school to sell our home electronics and furnishings alongside local produce.

Going forward, I hope to expand the number of customers and promote "Necology" while constantly listening to our customers and making their requests a reality.



**The Kuroneko Caravan was a huge success**

I was shocked to see just how briskly large refrigerators, washing machines and furniture were sold during the Kuroneko Caravan session held at our facility. Eventgoers noted that they couldn't buy brand new products and didn't have the time to go to recycling shops downtown, so they were grateful for the chance to purchase these refurbished items at the event. Overall the event was a huge success.

I think this is a great service. Sales of refurbished items are good for the environment because home electronics or furnishings that otherwise would have been thrown out can be used again. Also these items offer good quality and can be purchased at reasonable prices.

I hope that Yamato Home Convenience will continue to hold Kuroneko Caravan sessions throughout Japan and continue providing opportunities for people to purchase refurbished items.

**Katsuya Mochizuki**

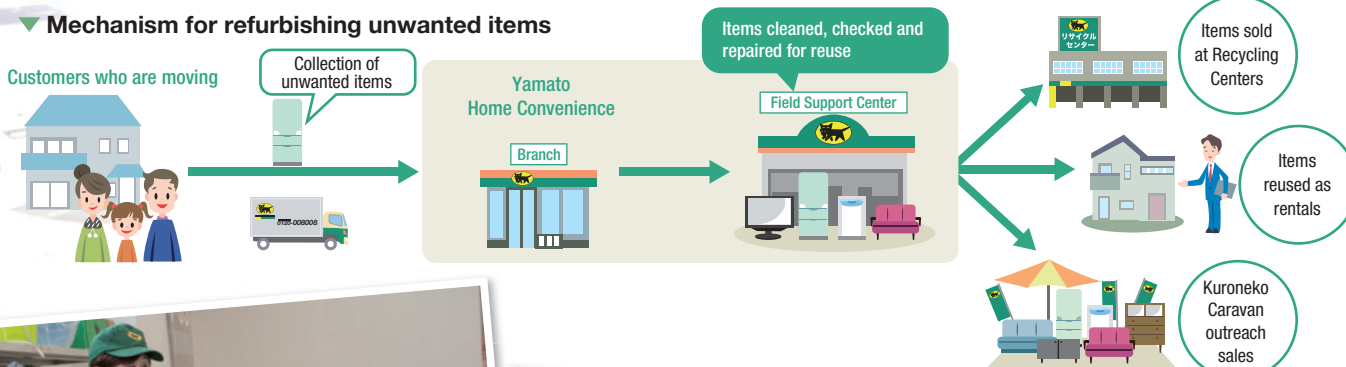
Director  
Namino Kogen Yasuragi Koryukan  
Aso City, Kumamoto Prefecture

**Information published online**



*Reusing and Recycling Unwanted Articles as seen in pictures*

**Mechanism for refurbishing unwanted items**



Cleaning the outside of a washing machine with a high pressure cleaner



Kuroneko Caravan sessions bring refurbished items to remote islands and isolated rural communities

## Initiatives aimed at customers

### ● Improvement of response quality

## All-Japan Guest Operator Customer Response Contest

We evaluate operators who are in daily contact with customers, awarding those who score well in screening of response skills (facial expressions, conduct, way of speaking, diction, etc.), product knowledge, and communication skills.



Providing customer service

## Initiatives aimed at partners

### ● Fair and unbiased trading / Collaboration for safety and improving service quality

## Communication with about 230,000 TA-Q-BIN service partners

Our Sales Drivers make daily visits to service partners. We also issue the information magazine "Kuroneko-Dayori" to general service partners such as liquor and rice shops.



Visits by Sales Drivers



Information magazine "Kuroneko-Dayori."

## Initiatives aimed at shareholders

### ● Appropriate and fair information disclosure / Enhancement of communication

## We publish an annual report and a booklet for shareholders to disclose information.

We conduct briefings for analysts 4 times per year, as well as overseas briefings for institutional investors in North America, Europe, and Asia.



## Initiatives aimed at employees

### ● Education / training and career development LA10

## Training matched to career plans

We conduct a variety of training programs, including Junior Leader School, intra-group job rotation, and global human resources communication training.



Global human resources communication training

### ● Work-Life Balance LA3

We are certified by Japan's Ministry of Health, Labour and Welfare as a company that actively supports the balance between work and family life.

As of April 2015, four of our companies have received the above certification: Yamato Management Service (2015), Yamato Transport (J) (2014), Yamato Logistics (2013), Yamato System Development (2011)



"Kurumin" Next-Generation Certification Mark

**527** persons took childcare leave

**435** persons worked shorter hours for childcare

### ● Respect for diversity

## Promotion of programs for active engagement by female employees

We held a career design seminar for female employees at BIZ Logiformation, to boost employee motivation through opportunities to learn the basics of career design and to consider career paths.



Career design seminar

Employment of **2,187** persons with disabilities  
(Employment rate: 2.08%)

We will continue to create barrier-free workplaces conducive to work by people with disabilities.



- LA3** Rate of return to work and rate of retention following childbirth and childcare leave (by gender)
- LA10** Support for employees' ongoing employment and end-of-employment planning through skill management and lifelong learning programs
- SO1** Percentage of businesses that conduct engagement with local communities, impact assessments, and community development programs

## Initiatives aimed at communities

### ● Support for economic independence for people with disabilities

#### Support for the creation of workplaces in which people with disabilities can be economically independent

Through the Yamato Welfare Foundation, we are carrying out a variety of initiatives to assist the preparation of economic independence.

#### Arrangement of Kuroneko direct mail delivery work for **1,651** persons with disabilities

#### Nationwide operation of **28** "Swan Bakery" stores employing people with disabilities.

Swan operates 4 directly managed Swan Bakery stores and 24 franchise stores.



Swan Bakery

#### Funds raised through the Natsu No Kampa (summer donation) program: **¥72.14** million

About 200,000 employees in the Yamato Group raised funds for the Yamato Welfare Foundation and the NPO Ashinaga.

### ● Promotion of CSV in partnership with local communities

#### Lifestyle support, sales promotion support, tourism support, etc.

Through our main business, we make efforts to create value that can be shared by enterprises and society



Watch-Over Services for the Elderly

In operation Total number of cases

**288/1,198**

Number of agreements **226** (as of the end of July 2015)

### ● Social education support **SO1**

#### Music TA-Q-BIN "Kuroneko Family Concert"

#### Held **10** times per year, with attendance by **13,818** people

Cumulative 293 concerts with a total attendance of about 430,000 people

2015 marked the 30th year of the concert.



Kuroneko Family Concert

#### "Yamato Transport Business Seminar for High School Students"

#### Participation by **19** schools and **84** persons in fiscal 2014

Cumulative participation by 63 schools and 381 persons (conducted every year since 2006)

The program received the Examination Committee Incentive Prize in the Awards for Companies Promoting Youth Experience Activities by the Ministry of Education, Culture, Sports, Science and Technology.



Yamato Transport Business Seminar for High School Students

#### "Children's Traffic Safety Workshop"

#### Held **1,874** times per year, with about **207,613** participants.

Cumulative 24,134 times with participation by a cumulative 2,589,000 persons (held every year since 1998)



Children's Traffic Safety Workshop

#### "Kuroneko Yamato Environmental Class"

#### **228** times per year with participation by about **15,820** people

Cumulative 2,789 times with participation by a cumulative 208,434 persons (held every year since 2005)



Kuroneko Yamato Environmental Class

### About the Great East Japan Earthquake Reconstruction Project

On the basis of donations by Yamato Transport (J) of 10 yen per TA-Q-BIN parcel delivered in Japan, and with the cooperation of customers, we made a total donation of about ¥14.2 billion through the Great East Japan Earthquake Living and Industrial Base Reconstruction and Recovery Fund drive, which was conducted by the Yamato Welfare Foundation for one year from 2011. This assistance provided funding for 31 reconstruction projects. With the completion of the Ono Town Hospital in Fukushima Prefecture in February 2015, all projects were concluded, with the exception of the disaster-readiness

forest reconstruction project in Matsukawaura, Fukushima Prefecture.

Begun in April 2014, the forest reconstruction project continues to plant pine trees and anticipate their growth. Until the complete reconstruction of livelihoods and industry in the affected areas has been achieved, the Yamato Group will not let memory of the disaster fade and will continue watching over reconstruction efforts.

For details of where assistance was directed, see the Yamato Welfare Foundation website. <http://www.yamatowf-saisei.jp/index.html>

# Business Seminar for High School Students

## Developing the ability to get involved in society

The theme of Yamato Transport's Business Seminar for High School Students, which marked its 9th session in 2014, was "Proposals for a New Approach to "Necology"—Achieving an Eco-Friendly Society Together through Yamato Transport's Businesses." This year a total of 19 teams, including one from Singapore, presented their proposals to Yamato Transport's senior executives.

\* A collective term used to describe the Yamato Group's environmental preservation activities. See page 25.

### ▼ Initiatives by the numbers

9<sup>th</sup> Business Seminar for High School Students (held since 2006)

19 teams (1 overseas)

84 participants

Largest number of participants since inception

### Q What points did the winning team work the most on?

A We spent a lot of time and energy on the investigation after our proposal (Matsumoto, Nagatsu, Yamamura).



Our proposal from Tokyo Denki University High School focused on an eco-friendly business that can be profitable while also helping to revitalize Koganei City. This business involves using TA-Q-BIN to collect dried organic waste and sell it to local farmers after it is converted into fertilizer.

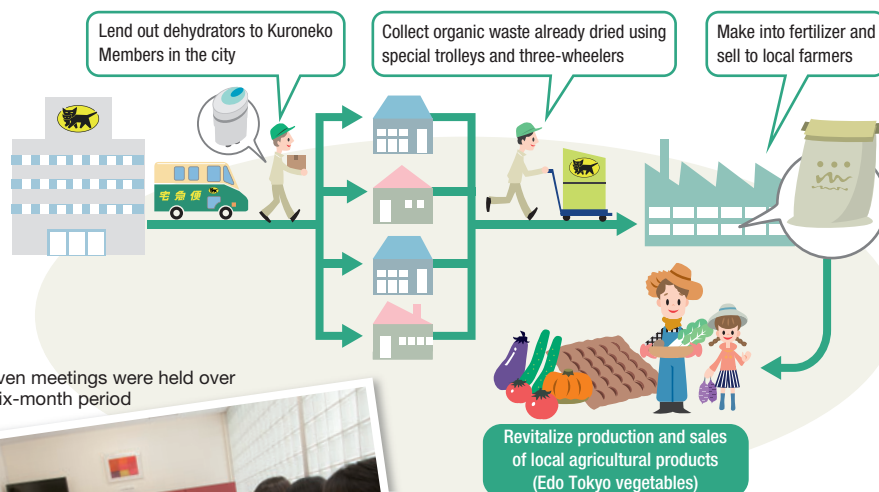
Initially, we thought this project would be relatively easy once we firmed up the plan, but in reality it turned out to be quite different. We went to city hall, a place we had rarely been, to collect documents, researched laws, and contacted companies, among other activities. The toughest part of the project was calling city hall and companies. Though we talk to friends all the time on our mobile phones, it was a bit nerve-racking to call people we had never met before until we got used to it.

On the day of the final presentation, although we felt things would go well because we had spent upwards of six months on our proposal, a chill went through our spine momentarily when the judges asked if our price for the fertilizer was appropriate. However, we thoroughly investigated the details, so we were able to respond to this question with confidence. We were really elated to be announced as the winners.

### ▼ Schedule of the 9th Business Seminar for High School Students



### ▼ Business plan of the winning team from Tokyo Denki University High School



Seven meetings were held over a six-month period



Presenting in front of Yamato Transport's senior executives

There is no waste incinerator in Koganei City, so the city is working with local neighborhoods to address the issue of garbage and waste. Therefore, we came up with the idea of using organic waste, which accounts for about half of all burnable waste from households, to make fertilizer and to reduce organic waste.

First, dehydrators are lent out to Kuroneko Members (a free membership service for individuals) in the city that are interested in participating. Organic waste is collected and after being made into fertilizer through fermentation at a plant, it is sold to farmers. This will help aging producers of Edo Tokyo vegetables to develop the next generation of farmers and revitalize local agriculture by increasing production of Edo Tokyo vegetables.

## Q What is the role of a mentor?

**A** Support the students about getting involved in society and acquire the ability to pave the way for their own future (Osabe and Kuromitsu).



Message from  
Junior  
Achievement  
Japan



## This program for students demonstrates Yamato Transport's corporate stance

The year 2014 marks the ninth time the Business Seminar for High School Students was held. Yamato Transport has supported this program since its inception. It is no easy task to work with students for the long duration of nearly six months, especially when busy with work duties. This faithful devotion to the students embodies Yamato Transport's corporate stance and I have developed a heartfelt trust in the company because of its employees always keep the best interests of the students in mind.

I am really proud knowing that this initiative was recognized by the Ministry of Education, Culture, Sports, Science & Technology with an honorable mention at the Japan Youth Awards.

### Yoriko Kuroki

Executive Director-Operations  
Junior Achievement Japan

Information  
published online



*Business Seminar for High School Students as seen in pictures*

## Q What did you gain from your involvement with the high school students?

**A** Many aspects of our involvement as mentors proved to be useful in terms of employee development (Daigaku).



As part of the Business Seminar for High School Students, employees serve as mentors to the high schools students while working closely with their teachers. For this session, the human resources development sections for the Saikyo District Branch and Higashi Tokyo District Branch worked together to support the high school students.

The approach taken by mentors to challenge students to notice things instead of telling them something is wrong and teach them that with teamwork they can overcome even the most challenging problems posed for an individual proved to be useful in employee development.

Pictured from front left

**Moeka Matsumoto**  
**Konoka Nagatsu**  
**Mayu Yamamura**

Tokyo Denki University High School  
(Koganei City, Tokyo Metropolis)

Tokyo Denki University High School has had a team participate every session since the very first Business Seminar for High School Students. This was the first time that a team from the school won.

Pictured from back left

**Kumiko Osabe**, Manager  
**Yoko Kuromitsu**

Human Resources  
Development Section  
Saikyo District Branch

**Keiichi Daigaku**  
Manager

Human Resources  
Development Section  
Higashi Tokyo District Branch  
Yamato Transport Co., Ltd.

These employees served as mentors to the participating high schools students over the space of six months during which time they supported the student's proposal while providing advice.



# Encouraging diversity for the everlasting development of the Yamato Group

The Yamato Group, which employs a workforce of nearly 200,000 people, recognizes the importance of recognizing and accepting diversity in terms of gender, nationality, and age, among other factors, in becoming a group of companies that is trusted by stakeholders, internationally competitive, and resilient in the face of market change.

## ▼ Initiatives by the numbers

Yamato Group employees

197,056

Males: 127,207  
(64.6%)

Females: 69,849  
(35.4%)

(Data as of March 31, 2015)

## Q What is diversity for the Yamato Group?

A Diversity is an initiative essential for the growth and greater competitive of our businesses (Uehara).



The Yamato Group is supported by its diverse pool of employees with different backgrounds and different genders, ages, nationalities and lifestyles.

Going forward, we must respond to various changes taking place in society, such as the aging population, declining birthrate, labor shortfalls and changing needs. It will be essential for us to create workplaces that respect the diverse values, thinking, and awareness of its people and that fully leverage their skills and abilities. We will continue to evolve our initiatives to ensure that every employee can thrive. This includes supporting a work-life balance between job and home life, providing new approaches to work for employees with time or physical constraints, and mechanisms for soliciting opinions and ideas from part time workers.

I believe encouraging diversity involves being aware of and incorporating the diverse values of employees into the organization and linking this up with improved competitiveness and business growth.

## ▼ Encouraging diversity at the Yamato Group

### Various changes in social structure

Aging population, declining birthrate,  
labor shortfalls, changing needs, etc.

### Create an environment where every individual can maximize their skills and abilities

Diverse values, thinking and awareness unrelated  
to gender, nationality, and age, etc.

### Improved competitiveness and greater business growth

Create new value from various opinions and ideas

Pictured from right

### Mio Yamauchi

Manager  
Diversity Promotion Office  
Yamato Holdings Co., Ltd.

### Go Sawatsubashi

Assistant Manager

### Sachiyo Uehara

Pictured here are members of the Diversity Promotion Department established in August 2014. Currently, these three members are in charge of the diversity activities of the entire Yamato Group.

**Q There are a lot of women working at the Yamato Group. Are your workplaces really that employee-friendly?**

**A** Creating women-friendly workplaces is the first step in creating employee-friendly workplaces (Sawatsubashi).



The Yamato Group employees around 70,000 female employees, which is about 35% of our entire workforce. For example, women are working in various lines of work at Yamato Transport, including as Guest Operators providing customer service at sales offices, as Sales Drivers who collect and deliver parcels, and as call center operators. Women are contributing a great deal to workplace revitalization through customer-centric proposals and continual improvement activities.

We have established in-house programs so that employees with constraints on their working hours can achieve work-life balance. Currently, Yamato System Development, Yamato Logistics, Yamato Transport and Yamato Management Services have been accredited by the Ministry of Health, Labour and Welfare as a company that actively supports the balance between work and family life.

As the structure of society changes, all employees, not only women, will want flexible work styles, respect for one another, and a culture that recognizes and compliments each other. Our goal is to create even more employee-friendly workplaces for the future.



“Kurumin” Next-Generation Certification Mark

**Q What is your future goal for workplace diversity?**

**A** We hope to create a foundation for realizing the next innovation by promoting diversity in a unified manner across the entire Yamato Group (Yamauchi).



The Yamato Group established the Diversity Promotion Office in August 2014 and has been encouraging diversity according to three key pillars ever since. The first of these pillars is fostering a strong awareness of diversity. Each and every individual needs to have a common mindset toward workplace diversity. Second is creating employee-friendly workplaces. We need to offer workplaces where every employee can contribute their skills equally based on changes in work styles and the promotion of work-life balance. Finally, third is career development support. We are working to support each and every employee to achieve personal and professional growth through their jobs. We have also appointed Diversity Promotion Managers at each Yamato Group company and established an implementation system in order to begin full-fledged efforts based on an action plan for each company’s situation and challenges,

We will continue to establish workplaces where the Yamato Group’s diverse workforce can thrive and contribute and by developing human resources that can create new services and new value we will continue to build a foundation for creation the next innovation.



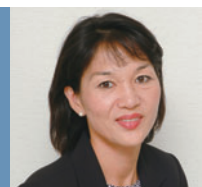
**The Yamato Group’s Diversity Policy**

The Yamato Group recognizes that respect for employee diversity and getting the most out of its people’s skills and abilities represents the source of innovation for generating new value and also links with the growth of the company and a more affluent society. Based on the Yamato Group’s DNA of inclusive management, we will offer workplaces where our diverse people can thrive and we will encourage diversity across the entire Yamato Group through various human resource development initiatives.



We will create a new color by combining different colors together.

**Message from Appassionata, Inc.**



**Utilizing the approaches of inclusive management in diversity initiatives**

I hear that Yamato Holdings has established the Diversity Promotion Office and has carried out a diversity survey in-house. I believe that the direction of the entire Yamato Group’s diversity promotion efforts, which are based on the results of this survey and analysis of Japan’s social and economic conditions, are sound.

The Yamato Group now is in the phase of continually implementing a specific action plan. Progress should be monitored regularly while implementing initiatives so that changes can be made whenever a problem arises. The key is to make steady forward progress.

Diversity promotion requires inclusion. The Yamato Group’s company precepts demonstrate the spirit of inclusive management. I hope that the Yamato Group will take full advantage of this approach in its diversity efforts.

**Joanna Sook Ja Park**

Representative Appassionata, Inc.

**Information published online**



*Diversity* as seen in pictures

## Corporate Governance

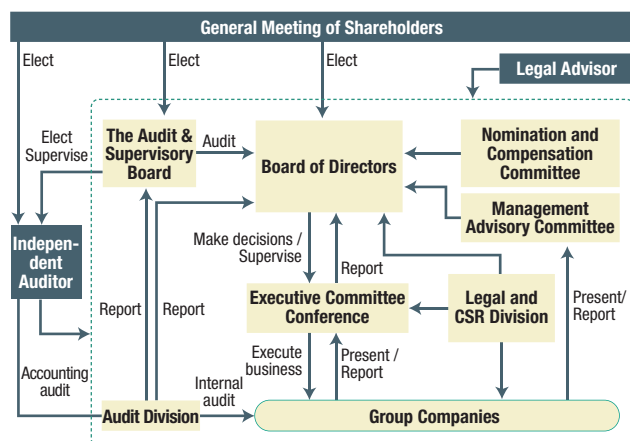
### Making the securing of sound management, and the achievement of prompt and accurate decision-making and business execution, our basic policy

Yamato Holdings, a pure holding company, and its group companies make the securing of sound management, and the achievement of prompt and accurate decision-making and business execution, the basic policies upon which we work to strengthen corporate governance.

Yamato Holdings has established the Board of Directors, the Management Advisory Committee, and the Executive Committee as business management organizations involved in group-wide managerial decision-making, execution, and supervision, creating a structure to carry out prompt and proper decision-making on important matters.

The Board of Directors consists of 6 directors (including 2 outside directors) who serve one-year terms, during which the directors clarify the responsibilities of management for the fiscal year. The Audit & Supervisory Board consists of 2 full-time Audit & Supervisory Board members and 2 outside Audit & Supervisory Board members, who audit the performance of directors' duties through actions including attendance at Board of Directors meetings and other important meetings. In addition, the auditors periodically hold Group Auditors' Liaison Meetings to discuss auditing policy and methods with full-time Audit & Supervisory Board members from major group companies, with the aim of enhancing auditing functions across the Group. All outside directors and outside Audit & Supervisory Board members are independent officers pursuant to Tokyo Stock Exchange Regulations, and their names are registered at the Tokyo Stock Exchange.

### Corporate governance promotion framework



## Compliance

### Strengthening internal control for the Group overall

The Yamato Group has established an internal control system in order to promote sound corporate culture in the group as a whole, and to enable employees to perform their duties effectively and efficiently without any misbehavior or mistake.

Yamato Holdings has stipulated its basic policy on the internal control system in accordance with the Companies Act, and each group company is working on strengthening internal controls. In addition, in order to respond to the internal control

report system pursuant to the Financial Instruments and Exchange Act, which went into effect in April 2008, we created a post of internal control manager in major group companies, and have made efforts to review business rules and standardize operations. We have also constructed a framework by which the section in charge of audits in Yamato Holdings and the sections in charge of internal control in major group companies check whether work is being conducted effectively in accordance with rules, and seek immediate remediation of any deviations. Internal control involving financial reporting by the Yamato Group was found to be valid as of March 31, 2015, with a report submitted to the Kanto Local Finance Bureau.

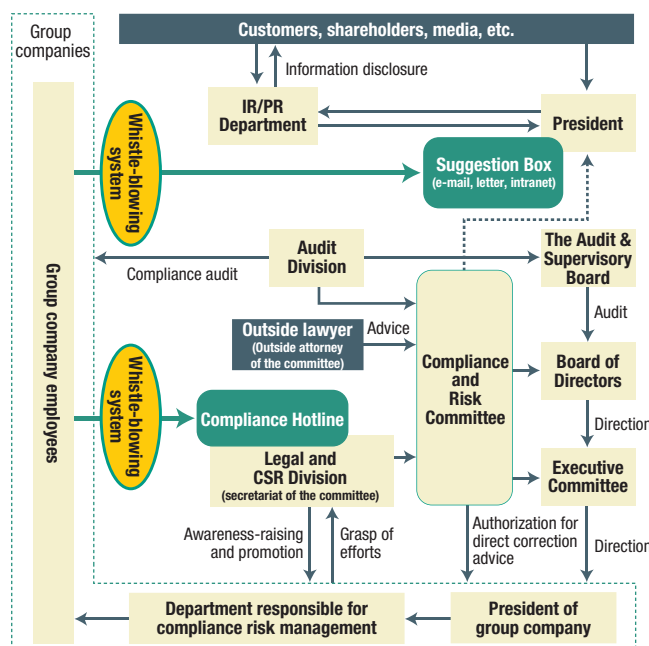
In accordance with the enactment of the Act on the Partial Revision of the Companies Act and the Ministerial Ordinance on the Partial Revision of the Ordinance for Enforcement of the Companies Act, Etc. on May 1, 2015, within our basic policy concerning the creation of internal control systems we revised frameworks for ensuring the properness of work by the Yamato Group and frameworks related to auditing, in order to conform with our current situation. We revised these to incorporate specific and clear expressions, in line with the statutory revisions.

### Setting the establishment of compliance management as our highest-priority issue

To construct a framework to prevent corporate misconduct in accordance with the laws and regulations and corporate ethics, the Yamato Group is making efforts to ensure compliance management as a top-priority issue for CSR promotion.

We have formulated the Group Corporate philosophy that summarizes the Yamato Group's corporate responsibility for and stance toward society, and have announced our Declaration of Compliance under which we declare our observance of the laws and regulations, corporate ethics, etc. In all business offices of each group company, a poster of our Declaration of Compliance has been put up to give a clear explanation in case of violations using illustrations. It helps to raise employees' awareness and call their attention to compliance.

### Compliance and risk management framework



Officers and employees of the Yamato Group are required to act in good faith in accordance with the above-mentioned corporate philosophy. The departments responsible for compliance risk management of group companies, centering on the Compliance and Risk Committee of Yamato Holdings are working to ensure their observance.

We have also set up a Compliance Hotline and a Suggestion Box as points of contact in our whistle-blowing system, which enable us to directly obtain information on risks in the company by means of notification and consultation by phone or e-mail. They contribute to prevention of compliance violations.

#### Concerning inappropriate temperature management in Cool TA-Q-BIN service

Following establishment of the Cool TA-Q-BIN Service Quality Improvement Headquarters in October 2014, we established the Cool TA-Q-BIN Service Quality Improvement Department, assigned Quality Training Directors nationwide, and appointed Cool TA-Q-BIN Work Leaders at each site to prevent recurrence of the temperature management issue.

In June 2015, we adopted a total volume management system. During demand peaks for the Cool TA-Q-BIN service in July and December, we will increase deployment of vehicles and other equipment for the service, and, predicting the daily volume of Cool TA-Q-BIN package arrivals at each site nationwide, will deploy equipment appropriately to prevent capacity overflows.

Through the construction of this system, we believe we can improve convenience for customers, including the ability to specify delivery dates even with the Cool TA-Q-BIN service. We will further strive to maintain and improve the quality of the Cool TA-Q-BIN service.

## Business Continuity Plan (BCP)

### Leveraging our experience in the Great East Japan Earthquake to effect improvements that will enable appropriate response to major earthquakes

The Yamato Group offers the TA-Q-BIN service as social infrastructure, and is expected to keep offering the steady service even under unforeseeable circumstances. In the wake of the emergence of novel influenza strain (H1N1) in May 2009, we formulated a business continuity plan (BCP).

Based on this BCP, formulated according to response guidelines focusing on maximum priority on human life and on continuation of the TA-Q-BIN business, we addressed the problems caused by the Great East Japan Earthquake that occurred in 2011. Our aim is to prepare for an earthquake occurring directly beneath the Tokyo Metropolitan Area and an earthquake along the Nankai Trough, which are likely to occur in the future and are expected to cause large-scale damage.

## Information Security

### Putting forth our Information Security Assurance Declaration and promoting the acquisition of certifications

The Yamato Group handles important personal information of many customers. We had always maintained strict control over such information, and in March 2003, we announced our "Declaration on Ensuring Information Security" in view of the social situation including frequent leakage of personal information

from a company. Since then, we have reinforced information security with an emphasis on "protection of personal information," "confidentiality of corporate information," and "prohibition of falsification and concealment."

For the purpose of ensuring proper and safe handling of personal information, we will strive to familiarize employees with the information security rules, and to increase their educational opportunities. By doing so, we believe we will be able to improve customer trust in our group.

In addition, for each of our group company workplaces we are actively working to acquire various certifications regarding information security.

### Security-related certifications acquired by group companies (as of August 2015)

Certification, Company name	Year of acquisition
<b>JISQ15001 (Privacymark System)</b>	
Yamato System Development Co., Ltd.	1999
Yamato Financial Co., Ltd.	2006
Yamato Contact Service Co., Ltd.	
Head Office	2007
Tokyo Call Center	2015
Saitama Call Center	2007
Miyakonojo Intelligent Contact Center	2010
Wakayama Call Center	2012
Tottori Intelligent Contact Center	2013
Tome Contact Center	2013
Kanto Mother Center	2014
Yamato Web Solutions Co., Ltd.	2007
Yamato Logistics Co., Ltd.	2010
Yamato Multi-maintenance Solutions Co., Ltd.	2010
Yamato Management Service Co., Ltd.	2011
<b>ISO27001</b>	
Yamato Transport Co., Ltd.	
Headquarters	2015
Yamato System Development Co., Ltd.	
Shin-Tokyo IDC	2004
Osaka IDC	2002
Contactless credit card data processing services for large-scale affiliate stores	2009
Credit card terminal installation application form acceptance center operation	2012
CAT joint usage system	2013
Sorting and sending of account transfer request documents	2013
Member contact service	2014
Joint usage-type online statement notification service	2014
Proxy service for emergency invalidation procurement	2014
Operations related to (new) registration of terminal installation application forms, account transfer systems (development), credit card terminal installation application form acceptance center operation (development), online application acceptance service, settlement NW, settlement information DB	2015
Yamato Packing Service Co., Ltd.	
Head office (human resources, general affairs, planning, information)	2005
Documents Logistics Company (Sales Department, Sales Department Administration Division, Planning Department, Tokyo Plant, Saitama Plant, Haneda Plant)	2005
Yamato Contact Service Co., Ltd.	
Head Office	2006
Tokyo Call Center	2015
Saitama Call Center	2007
Miyakonojo Intelligent Contact Center	2010
Wakayama Call Center	2012
Tottori Intelligent Contact Center	2013
Tome Call Center	2013
Kanto Mother Center	2014
Yamato Packing Technology Institute Co., Ltd.	
Kanto No. 1 Branch, Operation Center, Packaging Solutions Business Division, Business Management Division, Research and Development Office	2009
<b>ISO20000</b>	
Yamato System Development Co., Ltd.	2006
<b>PCIDSS</b>	
Yamato System Development Co., Ltd.	
Credit card settlement service	2006
Web billing service	2011
<b>Registration of Information Security Auditing Firms</b>	
Yamato System Development Co., Ltd.	2004

# Overview and Major Indicators of the Medium-term Management Plan DAN-TOTSU Three-Year Plan STEP

## Overview of medium-term management plan

Through the long-term DAN-TOTSU Management Plan 2019 formulated in January 2011, the Yamato Group aims to become “Asia’s No. 1 solution provider in distribution and lifestyle support” by 2019, the year of the Group’s 100th anniversary. In order to make our stakeholders’ satisfaction “DAN-TOTSU,” we are advancing our business along the themes of “More globally” and “Closer to local regions and people’s lives.”

As we actively advance “Value Networking” design, we can firm up our cost restructuring through high value-added business model creation and network innovation. At the same time, by establishing governance aimed at fostering a sound corporate culture, we will execute balanced management that enhances the satisfaction of local communities, society, customers, shareholders, and employees with respect to our business, quality, and cost structure.

## Progress of the plan

Our DAN-TOTSU Management Plan 2019 divides the 9 years through 2019 into three stages: HOP, STEP, and JUMP.

Under the first phase, the “DAN-TOTSU Three-Year Plan HOP,” we worked to complete construction of Haneda Chronogate and the Atsugi Gateway, which boast unprecedented added-value functions. We also worked to expand our international small parcel delivery network using the Okinawa International Logistics Hub, and to otherwise strengthen our business platform and networks.

Under the second phase, the “DAN-TOTSU Three-Year Plan STEP,” we are leveraging the platform we have built during HOP and, from fiscal 2014 to 2016, continue to strengthen our business platform and networks to enable a major leap forward in the final Three-Year Plan (JUMP).

Based on this plan, in fiscal 2014 we made efforts toward the creation of value-added business models and the enhancement of our existing businesses using the management resources of all group companies.

During this time, the number of parcels handled in our delivery business struggled to grow under stagnant consumer spending and the impact of a demand rush prior to the consumption tax hike at the end of the previous fiscal year. Despite this, our TA-Q-BIN price rose as we undertook measures to collect appropriate fees. In addition, we connected strict cost management measures to an increase in profits. In our non-delivery businesses, we undertook expansion of our existing services while cooperating across group companies to actively engage in sales aimed at resolving customers’ problems.

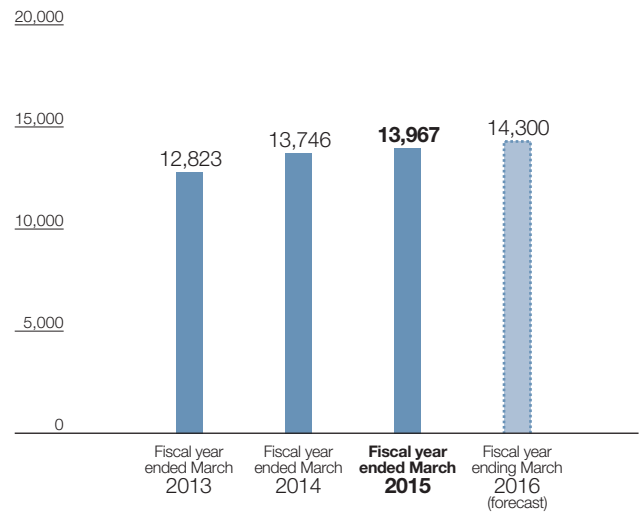
As a result of these measures, in fiscal 2014 we were able to increase sales and profits over the previous year.

Looking ahead, we will create new value in logistics to achieve our long-term DAN-TOTSU Management Plan 2019, and will contribute to the growth of Japan and the creation of an affluent society.

## State of major indicators

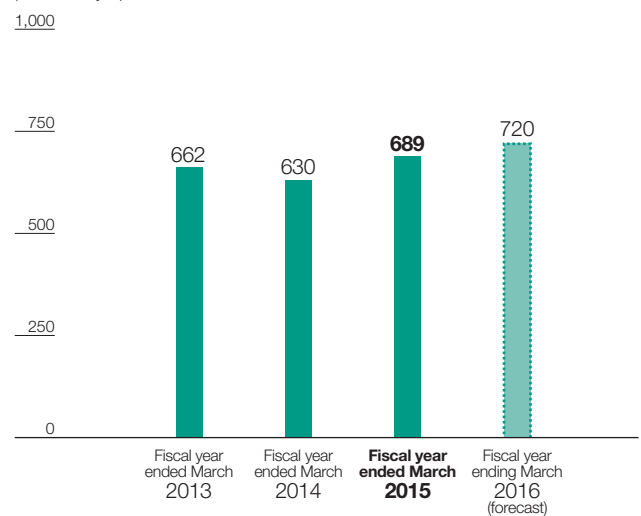
### Consolidated operating revenue

(100 million yen)



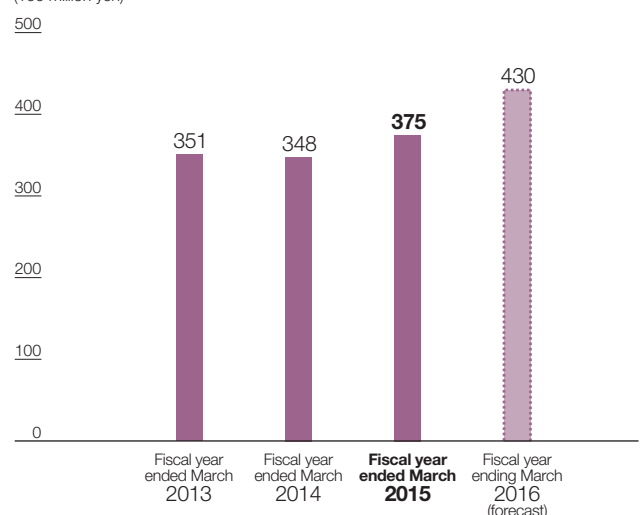
### Consolidated operating income

(100 million yen)



### Net income

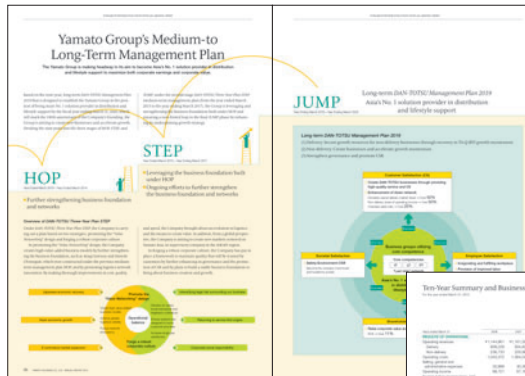
(100 million yen)





The detailed economic report is available on our annual report or investor relations page on our corporate website. Please refer to them.

### Annual Report 2015



Yamato Group's Medium-to-Long-Term Management Plan

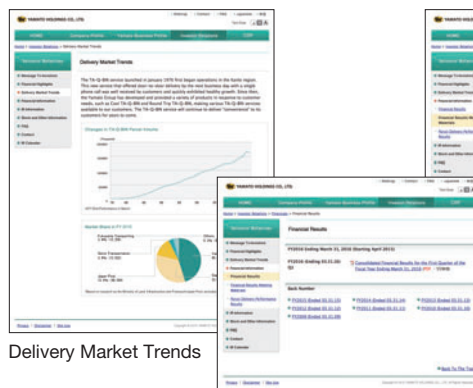
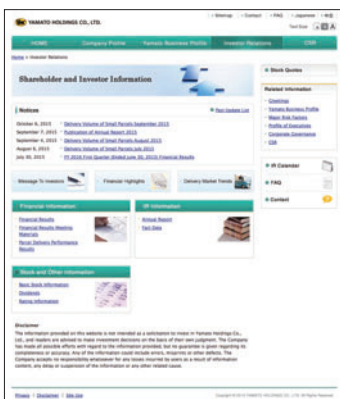
Ten-Year Summary and Business Highlights



Overview of Operations by Segment

Consolidated financial statement

### Our corporate website (Investor relations)



Delivery Market Trends

Financial Results

Financial Results Meeting Materials



# Yamato Holdings Co., Ltd.



●For more information about this report, please feel free to contact us.●

## Yamato Holdings Co., Ltd. Legal Affairs & CSR Strategy

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