

Environment Preservation and Social Activities

Environment Preservation Activities

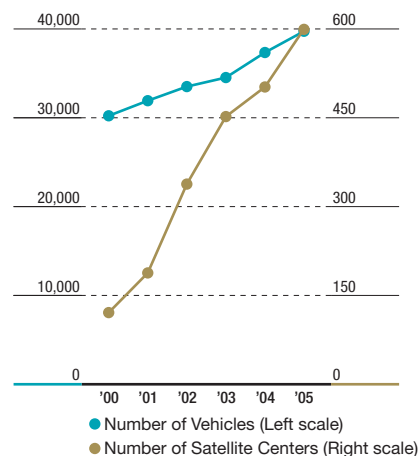
It is Yamato's desire to meaningfully contribute to the environment ten years hence while maintaining sustainable corporate growth. To this end, we set the Yamato Transport Global Warming Prevention Targets in September 2003. They include implementing measures to combat global warming and, as the means to achieving this, reducing its reliance on delivery trucks while switching to hybrids and other low-emission vehicles. Specifically, Yamato is taking solid steps each year to reach its target environmental goals by fiscal 2012. Moreover, in accordance with the Kyoto Protocol that took effect in February 2005, Yamato set for itself the task of reducing CO₂ emission levels in fiscal 2012 to 99% of levels in fiscal 2002. To achieve this, Yamato is striving to cut CO₂ emissions per parcel delivered by 30%. The following describes the establishment of satellite centers for deliveries using handcarts, measures to increase the use of low-emission vehicles, and introduction of hybrid vehicles, all of which are central to reaching this goal.



Establishment of Additional Satellite Centers

Yamato is working to establish additional satellite centers, which are geared to deliveries using handcarts and minivans instead of relying on regular trucks, in developing its highly decentralized service network that currently encompasses some 5,000 locations nationwide. By doing this, we can boost delivery efficiency in cities and densely populated residential areas and stop the number of conventional delivery trucks from rising in line with annual increases in delivery volume. Satellite centers will also help reduce emission of air pollutants and greenhouse gases, as well as traffic pollution created by illegal parking and traffic jams.

Changes in the Number of the Satellite Centers



The Yamato Transport Global Warming Prevention Targets include a plan to double the number of satellite centers, which primarily use handcarts in their pickup and delivery operations, from today's 500 to 1,000. There were 600 centers nationwide as of the end of March 2005. Going forward, we will continue our efforts to expand this eco-friendly service network.

Switching to Low-emission Vehicles

Yamato has consistently led the industry in adopting vehicles that have the lowest possible impact on the environment. The Yamato Transport Global Warming Prevention Targets call for a deployment of 20,000 low-emission trucks by fiscal 2012. To reach this goal, Yamato introduced 685

such vehicles in fiscal 2004, bringing the cumulative total to 4,135, a record high for any single company. As a result, low-emission trucks accounted for 10.35% of 39,952 vehicles owned by Yamato as of the end of fiscal 2005.

In recent years, Yamato has been replacing vehicles in its mostly diesel fleet with LPG-powered vehicles. Today, however, the refueling infrastructure is in place to make the jump to hybrid vehicles a viable option. Hybrids break new ground in terms of minimizing impact on the environment, and Yamato is assigning these vehicles a more prominent role in the composition of its fleet.

Speeding up the Introduction of Hybrid Trucks

Combining electric motors with diesel engines, hybrid cars can be fueled at existing gasoline stands, are highly fuel-efficient, and help to substantially reduce CO₂ emissions. Because none of Yamato's two-ton trucks, comprising the majority of delivery vehicles, are hybrid, Yamato took initiatives to collaborate with automobile manufacturers to develop eco-friendly trucks. The effort came to fruition when Yamato launched its first hybrid truck for experimental purposes in December 2002 and began introducing them in January 2003. After numerous trials, they were fully deployed in August the same year. The CO₂ emissions and fuel used by these hybrid trucks are less than 30% of their diesel counterparts, with a corresponding saving of over 30% in fuel costs. Yamato will continue its efforts with the aim of introducing 20,000 low-emission vehicles, with a focus on hybrid trucks, by fiscal 2012.

Changes in the Number of Low-emission Vehicles

