

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

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

The extensive promotion of CSR management in tandem with business expansion is also an integral part of the "Create Satisfaction Three-Year Plan," the Yamato Group's medium-term management plan for guiding management policy that we launched in April 2008.

The Group is placing particular emphasis on two elements of the plan—compliance and environmental concerns.

## Environment

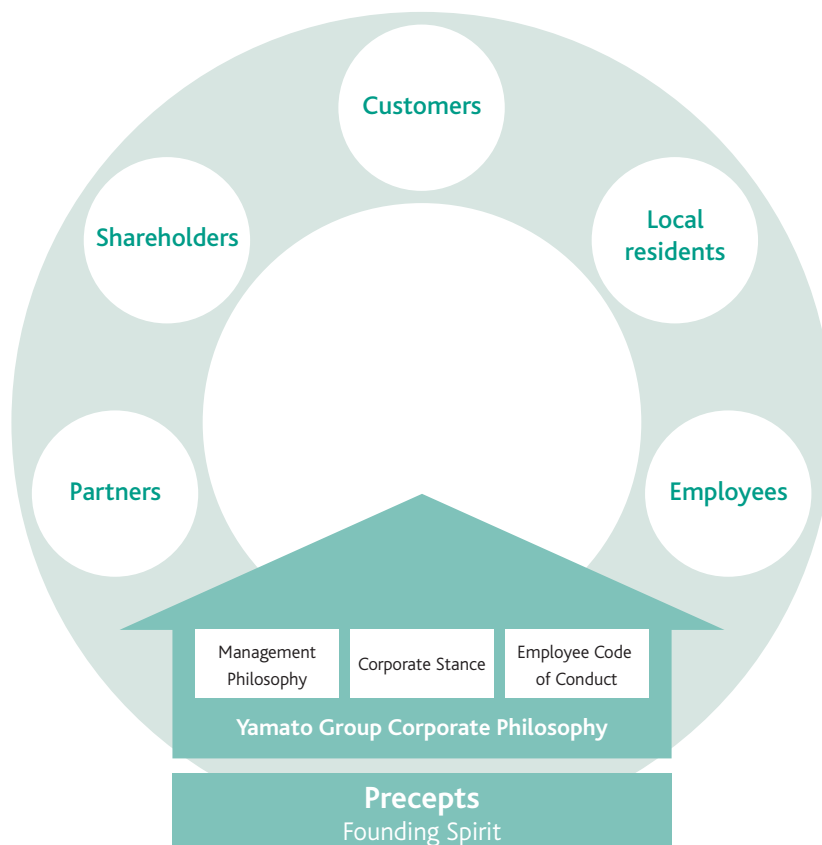
### Active Deployment of Low-Emission Delivery Vehicles

Under its medium-term plan, the "Create Satisfaction Three-Year Plan," the Yamato Group is aiming to reduce its overall CO<sub>2</sub> emissions volume to 99% of the levels in fiscal 2007. As a Group with business operations centering on the field of logistics, Yamato is striving to reach this goal through a more robust environmental stance, including reductions in fuel usage through the introduction of low-emission vehicles.

As a specific measure for achieving this objective, by fiscal 2013 Yamato Transport is aiming to have 20,000 low-emission delivery vehicles in operation in its fleet of vehicles. In fiscal 2010, we added 1,298 low-emission vehicles, including 379 hybrids, to bring the total to 11,538.

As Yamato Transport's vehicles account for 87% of the Group's total vehicle fleet, this brings the total proportion of low-emission vehicles in the Yamato Group's fleet to 25.7%.

Diagram of Yamato Group Corporate Philosophy



As of March 2010, Yamato Transport had a nationwide network of 971 satellite centers for parcel delivery located primarily in urban centers. Parcel delivery from these satellite centers is conducted primarily through the use of handcarts and bicycles with attached trailers, rather than motor vehicles.

### Satellite Centers Eliminate Use of Vehicles for Parcel Delivery

The opening of more satellite centers reduces the parcel delivery volume per sales driver for a given delivery area. This lighter load not only enables drivers to provide more detailed services to each customer, but also helps to curb increases in the number of vehicles required to keep pace with increased parcel volume. The Group is targeting a network of 1,000 satellite centers across Japan by fiscal 2013.

### External Evaluation

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

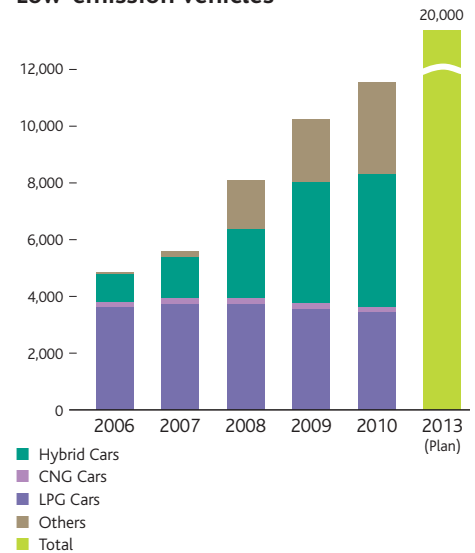


**FTSE4Good**

Created by the global index company FTSE Group, FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognized corporate responsibility standards. Companies in

the FTSE4Good Index Series have met stringent social and environmental criteria, and are positioned to capitalize on the benefits of responsible business practices.

### Changes in the Number of Low-emission Vehicles



## Society

### Safety Classes for Children

The Yamato Group always puts safety first in its business activities. Preventing traffic accidents involving children is an especially important safety issue.

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

Taught entirely by Yamato Transport employees, the fun and entertaining classes employ various means to teach children about traffic safety. In fiscal 2010, classes were held



at 1,500 locations and around 150,000 children participated.