

At a Glance

SEGMENT	BUSINESS DESCRIPTION
<p>DOMESTIC TRANSPORTATION</p>	<p>The domestic transportation business is mainly focused on delivery operations such as <i>Takkyubin</i>, <i>Kuroneko Mail</i> and Moving services. This comprises the Group's core business.</p>
<p>TAKKYUBIN</p>	<p>Yamato Transport offers next-day delivery of parcels almost anywhere in Japan. A sophisticated tracking system allows customers to check the progress of a shipment at key stages of the logistics chain. The <i>Takkyubin</i> business includes <i>Collect Service</i>, <i>Cool Takkyubin</i>, <i>Golf Takkyubin</i>, <i>Ski Takkyubin</i> and many other services. A total of 983 million packages were handled during the past fiscal year.</p>
<p>MOVING</p>	<p>The moving sector transports household items for families and individuals. Yamato Transport offers a number of moving-related services as well, such as house cleaning and home appliance disconnection and installation services. There is also an international moving service.</p>
<p>KURONEKO MAIL</p>	<p>This service delivers materials in letter-size envelopes to eliminate the need for folding documents. Envelopes are simply placed in each recipient's mail box; no signature is required. The status of each packet can be tracked at Yamato Transport's Website. In April 2003, <i>Kuroneko Mail</i> was significantly upgraded with the introduction of more packet sizes, a next-day delivery option for most areas of Japan and other new services.</p>
<p>LOGISTICS</p>	<p>Yamato is equipped to handle all aspects of logistics, from the receipt of merchandise through its storage, packaging and shipment. This fully integrated line of support contributes directly to greater productivity at client companies.</p>
<p>INTERNATIONAL TRANSPORTATION</p>	<p>Yamato Transport has its own forwarding business to transport items to more than 100 cities around the world. A reliable cargo tracking system and other services mean that the needs of each shipper can be precisely addressed.</p>
<p>INFORMATION COMMUNICATIONS</p>	<p>By drawing on the Yamato Group's knowledge gained through the provision of transportation services, subsidiary Yamato System Development performs data processing services on an outsourcing basis and operates the computer systems of other companies.</p>
<p>OTHER BUSINESSES</p>	<p>This segment covers many types of activities. Major components are packaging operations offered in conjunction with logistics operations, the sale of boxes and other packaging materials, book sales through the Internet, sales of other merchandise, and the leasing of motor vehicles.</p>

PERFORMANCE

Yamato Transport has worked to further raise the quality of existing products such as *Takkyubin* and *Kuroneko Mail*, and increase customer convenience by expanding its distribution network. This approach and success in winning new customers led to a year-on-year increase of 2.7% in operating revenues from domestic transportation, to ¥856,827 million (US\$7,128.3 million).

In fiscal 2003, operating revenues increased 2.2% to ¥698,499 million (US\$5,811.1 million). Contributing to this growth were the provision of new Internet services, such as the *SD Direct* and *Takkyubin* mail notification services, and an increase in business from corporate customers.

In fiscal 2003, Yamato succeeded in increasing the number of household moving contracts by enhancing its services. However, a downturn in moving contracts for individuals due to intense competition caused operating revenues to decline 2.6% to ¥43,864 million (US\$364.9 million).

In fiscal 2003, growth in volume from small and midsize companies and measures to bolster the sales and service network led to a 3.4% increase in operating revenues to ¥62,536 million (US\$520.3 million).

In fiscal 2003, operating revenues rose 53.5% to ¥13,925 million (US\$115.8 million) because of a large increase in the number of logistics customers.

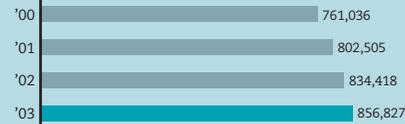
In fiscal 2003, the volume of international freight originating in Japan was generally flat. However, Yamato Transport achieved growth by locating new customers with small to midsize export volumes and increasing the volume of exports of automotive parts and products to the U.S. and Asia. The result was a 21.1% increase in operating revenues to ¥74,117 million (US\$616.6 million).

In fiscal 2003, facilities were added at logistics centers in the Tokyo, Kanagawa and Nagoya areas and emphasis was placed on capturing orders involving logistics data processing systems. In addition, aggressive marketing activities were conducted that included sales of software for logistics systems and seminars for e-business ventures. These activities resulted in a 2.5% increase in operating revenues to ¥18,888 million (US\$157.1 million).

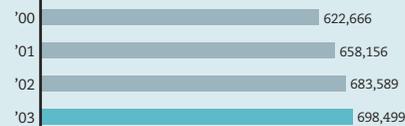
In fiscal 2003, sales of books increased due to growth in e-commerce orders from customers using PCs and mobile phones. Results were also boosted by the inclusion of eight home service companies in consolidated results for the first time. Due to these factors, operating revenues increased 23.3% to ¥22,303 million (US\$185.6 million).

SALES AND SALES COMPOSITION

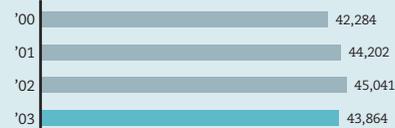
Sales (¥ millions)



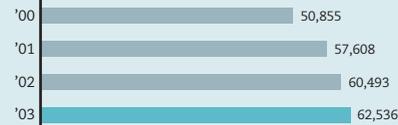
Sales (¥ millions)



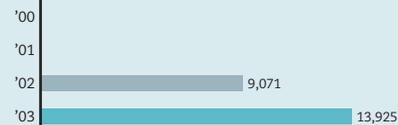
Sales (¥ millions)



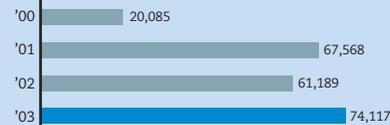
Sales (¥ millions)



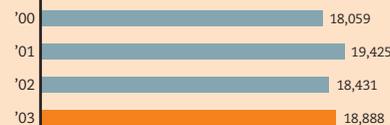
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