Mission Statement

| Mission | Contribute to global economic development and maximize corporate value by earning the trust of our customers through sophisticated, quality logistics services |
| Vision | Be a global logistics provider with world-class scope and service quality |
| Values | Customer-Centric Everything we do is focused on the needs of our customers, wherever they may be located and whatever their requirements |
| Values | Quality / On-Site(Gemba)-Oriented Management We relentlessly pursue quality and continuous improvement, with structured Kaizen programs |
| Values | HR-Oriented Management We seek to motivate our employees, recognizing that they deliver our services |
| Values | Environmental Management We strive to preserve the environment while fulfilling our corporate social responsibility |

Business Model
Global Network

Business Portfolio

Consolidated Business Results for Fiscal 2013

<table>
<thead>
<tr>
<th>Metric</th>
<th>Fiscal 2013</th>
<th>Fiscal 2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>¥ 406,040 million</td>
<td>compared with fiscal 2012</td>
<td>19.8%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>¥ 4,523 million</td>
<td>compared with fiscal 2012</td>
<td>172.7%</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>¥ 4,942 million</td>
<td>compared with fiscal 2012</td>
<td>80.1%</td>
</tr>
<tr>
<td>Net Income</td>
<td>¥ 1,315 million</td>
<td>compared with fiscal 2012</td>
<td>17.5%</td>
</tr>
</tbody>
</table>
New Medium-Term Business Plan
"GO FORWARD, Yusen Logistics -Next Challenges-"

When formulating the new Medium-Term Business Plan starting FY2014, we reiterated the MISSION, VISION and VALUES set forth in the previous Medium-Term Business Plan and articulated the Group's mission, "Contribute to enriching society and to enhance the value of our Group through logistics services that meet clients' needs".

Overview

Under our new Medium-Term Business Plan "GO FORWARD, Yusen Logistics -Next Challenges-", we have established performance targets for the year ending March 31, 2017 of ¥500.0 billion in consolidated net sales and ¥12.0 billion in consolidated operating income with handling targets of 850,000 TEU for ocean freight forwarding and 370,000 tons for air freight forwarding.

In order to achieve these numerical targets, we will reinforce our business foundation of promoting sustainable growth for the future through our three key strategies: "Growth Strategy", "Operational Strategy" and "Investment Strategy".

We recognize our new Medium-Term Business Plan as being important in positioning Yusen Logistics to achieve the long term objective of combining our strengths to be the No. 1 logistics company in Asia, and one of the top five companies globally.
Numerical Targets for FY2016:

- Ocean Freight Forwarding: 850 thousand TEU (Group total)
- Air Freight Forwarding: 370 thousand tons

Ocean Freight (unit: TEU)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>570,000</td>
<td>650,000</td>
<td>740,000</td>
<td>850,000</td>
</tr>
</tbody>
</table>

Air Freight (unit: TON)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>310,000</td>
<td>330,000</td>
<td>350,000</td>
<td>370,000</td>
</tr>
</tbody>
</table>

Medium-Term Business Plan and Long-Term Targets

FY2013

- Ocean Freight: 570,000 TEU
- Air Freight: 310,000 Tons
- Net Sales: JPY406.0 bn.
- Operating Income: JPY4.5 bn.

FY2016 (plan)

- Ocean Freight: 850,000 TEU
- Air Freight: 370,000 tons
- Net Sales: JPY500.0 bn.
- Operating Income: JPY12.0 bn.

Global Top 5
No.1 in Asia

Long-Term Targets

- Ocean Freight: 2 million TEU
- Air Freight: 760,000 tons
- Net Sales: JPY1.0 tn.
- Operating Income: JPY35.0 bn.
Basic Strategy

As our basic strategy, we will reinforce our business foundations in order to minimize any adverse economic impact to the Company. Following this, we will implement our “Growth Strategy”, “Operational Strategy” and “Investment Strategy” in order to achieve sustainable growth.

“Growth Strategy”

We aim to increase our handling of ocean and air freight cargo and to expand our logistics business. To achieve this, we will enhance our service menu to enable us to serve the diversifying needs of our customers. While strengthening Ready-Made Products(*1) in the freight forwarding service for ocean and air freight businesses and continuing to expand investment in South Asia in the logistics businesses, we aim to make effective use of the warehouses, trucks and other resources we currently have around the world to improve our earnings and to continuously streamline our operations. We will leverage our know-how in ocean freight, air freight and logistics with a focus on growth industries and emerging markets to deliver value-added total logistics services (Tailor-made Services(*2)).

(*1) Ready-Made Products:
Ready-Made Products are the standard services we offer to customers at competitive rate with high quality operations and freight tracking information, primarily in the area of freight forwarding services.

(*2) Tailor-made Services:
Tailor-made Services are the services we propose and offer to customers by combining logistics technology, information technology and Ready-Made Products with the aim of optimizing logistics on a global scale in the areas of contract logistics and freight forwarding services that require high added value.

“Operational Strategy”

In the fiscal year ended March 31, 2014, we set up Project Re-engineering Yusen Logistics, with the aim of streamlining operations in our administration, sales and business divisions and enhancing cost competitiveness.

Under the new Medium-Term Business Plan, we will further improve our operations by developing our Global BPM capabilities, coordinating our IT on a global level to increase operational efficiency, as we aim to improve competitiveness. We will pursue operation excellence through Global BPM as one of the centerpieces of the new Medium-Term Business Plan.
"Investment Strategy"
We will make strategic investments in three main areas which are "investment in employees", "investment in systems" and "investment in regions". We will promote "investment in employees" with the goal of training our global human resources to handle ocean and air freight businesses as well as our total logistics services, "investment in systems" to improve our backbone systems and establish infrastructure for BPM and total logistics solutions, and "investment in regions" that includes expansion of our facilities and transportation networks with the aim of increasing our business in the Asian market.

Sales Composition by Segment
We aim to increase sales in each business segment to support our overall growth, with a particular focus on expanding the ocean freight forwarding business.

For our regional growth, we will continue our aggressive investment in Asia to further expand sales, while maintaining a balanced geographical portfolio.
3D Management Strategy

We will promote our Business Strategy, Sales Strategy, and Area Strategy founded on our Basic Management Strategy.

Basic Management Strategy

1. HR Strategy / Organization Strategy
We will continue to develop our overall international capabilities by encouraging employee networking and communication between regions, and promoting global transfer programs across the business.

We are also promoting a HR Strategy that includes providing management and sales programs aimed at fostering professional managers and salespersons, as well as initiatives to promote women to managerial positions.

2. Strategy to Enhance Compliance
In addition to assigning compliance officers to each of the five global regions under the Chief Compliance Officer (CCO), we established the Compliance Committee at each Group company as we seek to enhance and disseminate our global compliance system.

3. Financial Strategy
We will strengthen our financial standing by improving the efficiency of financial flows within the Group.

In particular, we will promote reduction of external interest-bearing liabilities and aim to streamline settlements for intra-Group transactions.

4. IT Strategy
We will promote innovation in our IT infrastructure by reviewing our groupware and global network and shifting them to an environment that is suited to the times. At the same time, we aim to strengthen our IT governance.

5. Contribution to Stakeholders
In addition to strengthening the fair and impartial disclose of information inside and outside the Company, we will promote our branding strategy as we work to increase corporate value.


**Business Strategy**

**Forwarding Business**
Ocean freight handling target for FY2016 : 850,000 TEU
Air freight handling target for FY2016 : 370,000 tons

We will deliver high quality and competitive services in our forwarding business by combining our growth strategy with operational reform. Aiming for the same direction in the ocean and air forwarding businesses, on the sales front we will promote expansion in handling our Ready-Made Products and global accounts, chiefly in freight cargo to and from Asia. In terms of purchasing, we will further boost our purchasing power through strategic partnerships with core carriers.

We aim to be a leading world-class forwarder based on these strategies.

**Contract Logistics Business**
Aim to be No. 1 Kaizen (Improvement) Company

We deliver high quality services that are selected and continue to be selected by customers across the globe, utilizing our warehousing network of our 2 million square meters.

We continue to promote the building of a strong “Gemba” or frontline as the nucleus of our total logistics business by combining product enhancement and profitability. At the core of our strategy, we will pursue the development of global human resources and the strengthening of logistics technology and IT, aiming to be the No. 1 Kaizen (improvement) company.

**Sales Strategy**

We aim to be a world-class Global Logistics Service Provider that is capable of supporting our customers by combining Ready-Made Product sales with global logistics sales.

Ready-Made Products sales are sales activities that offer competitive rates, high quality operations and freight tracking information, primarily in the area of freight forwarding services. Global logistics sales, or Tailor-made Services, are proposed and delivered by combining logistics technology, information technology and ready-made products with the aim of delivering logistics solutions on a global.
Global Logistics Sales Approach

We intend to take a sales approach by identifying seven industries where we will strengthen our operations, and five countries and regions, chiefly emerging countries, to be strengthened.

In terms of industry sectors, we will seek to further increase sales for industries where we have already established a track record. Moreover, we established a new Project Cargo Team to handle specialized transportation like project cargo, thereby establishing a track record while building up know-how.

Area Strategy

We expand business based on five regions of the world and establish strategies for each region considering their characteristics and challenges.
| **Japan** |
|------------------|--------------|
| **Number of locations** | 73           |
| **Warehouse space**   | 70,000m²     |
| **Targets for FY 2016** |
| **Net sales**          | ¥89 billion  |
| **Operating income**   | ¥1.9 billion |
| **Investment over 3 years** | ¥2.0 billion |
| **Priority Measures** |
| • Reinforcement of forwarding business of off-shore trades |
| • Expansion of import business and project cargo handling |
| • Expansion of Total Logistics Service |
| **Area Strategy** |
| • Increase of import and export handling volume by expanding customer base |
| • Service development of import, off-shore business and Ocean LCL |
| • Sales reorganization and development of human resources focused on growing industry verticals |
| • Further expansion of business locations |

| **Americas** |
|------------------|--------------|
| **Number of locations** | 64           |
| **Warehouse space**   | 260,000m²    |
| **Targets for FY 2016** |
| **Net sales**          | ¥110 billion |
| **Operating income**   | ¥1.4 billion |
| **Investment over 3 years** | ¥1.5 billion |
| **Priority Measures** |
| • Expansion of businesses with global customers |
| **Area Strategy** |
| • Expand intra-region, trans-Atlantic, and further develop trans-Pacific forwarding business |
| • Expand and deepen relationships with customers who have a global reach (sourcing or operations) e.g. retailers |
| • Expand logistics business in each domestic market, Grow revenue of domestic transportation in the United States |
| • Develop supply chain solution products |
| • Improve operational efficiency |
| • Specific focus to business development in/with Mexico |
### Europe

<table>
<thead>
<tr>
<th>Number of locations</th>
<th>77</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehouse space</td>
<td>680,000 m²</td>
</tr>
</tbody>
</table>

**Targets for FY 2016**

<table>
<thead>
<tr>
<th>Net sales</th>
<th>¥109 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>¥0.6 billion</td>
</tr>
<tr>
<td>Investment over 3 years</td>
<td>¥2.0 billion</td>
</tr>
</tbody>
</table>

**Priority Measures**

- Expand forwarding business through approach to global customers
- Re-engineer contract logistics and transport business in the region

**Area Strategy**

- Facilitate and enhance transportation network within the region
- Optimize gateway function of forwarding business
- Promote sales activities in priority industries (automobile, healthcare, retail and high technology)
- Expand businesses in Turkey and Black Sea area
- Explore markets in Eastern Russia and North Africa

### East Asia

<table>
<thead>
<tr>
<th>Number of locations</th>
<th>86</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehouse space</td>
<td>240,000 m²</td>
</tr>
</tbody>
</table>

**Targets for FY 2016**

<table>
<thead>
<tr>
<th>Net sales</th>
<th>¥100 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>¥1.4 billion</td>
</tr>
<tr>
<td>Investment over 3 years</td>
<td>¥2.5 billion</td>
</tr>
</tbody>
</table>

**Priority Measures**

- Expand forwarding business through "Selection and Focus" strategies
- Reform Contract Logistics and Transport business

**Area Strategy**

- Expand businesses to Europe and to the Americas
- Promote LCL products sales
- Induce various logistics business models in China as consuming market
- Reinforce inland logistics capabilities in China (Automobile industry, Yangtze River transportation)
### South Asia & Oceania

<table>
<thead>
<tr>
<th><strong>Number of locations</strong></th>
<th>178</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Warehouse space</strong></td>
<td>830,000m²</td>
</tr>
<tr>
<td><strong>Targets for FY 2016</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>¥102 billion</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>¥6.9 billion</td>
</tr>
<tr>
<td><strong>Investment over 3 years</strong></td>
<td>¥7.0 billion</td>
</tr>
<tr>
<td><strong>Priority Measures</strong></td>
<td>• Expand business scale through aggressive investments in growing/newly emerging countries</td>
</tr>
</tbody>
</table>
| **Area Strategy**       | • Facilitate and enhance multi-modal transportation network within the region  
                          • Promote sales activities in priority industries (automobile, aircraft, project cargo, retail and healthcare)  
                          • Induce various logistics business models in the region as consuming market |
Yusen Logistics has been aggressively expanding its global network across five regions to support the diverse needs of our customers. In addition, we are developing new capabilities in emerging markets such as Cambodia and Myanmar.

With a warehouse space of 2,080,000 square meters globally, Yusen Logistics is a leading Japanese total logistics provider.

*As of March 31, 2014

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**478 Locations, Spanning 40 Countries, with a Warehouse Space of 2,080,000 Square Meters**

*Total space of warehouse*
Value for Customers

Dedicated People Delivering Logistics Solutions across the World

Our comprehensive logistics network provides our customers with the expertise and means to reach their customers and markets. As a total logistics provider, we are able to satisfy the diverse needs of all our customers through seamlessly integrating air and ocean freight forwarding, contract logistics, transportation, IT, as well as value add services.

Ocean Freight Forwarding

Our ocean freight forwarding services are not just transporting customers’ cargo port to port. We support our customers’ international shipments with a wide range of additional services that deepen the value of shipping with us. There include consolidation services, customs clearance, warehousing and transshipment, dray management, and inland transportation.

Air Freight Forwarding

With over 60 years’ experience and an expanding global network, we can select the optimum route and provide an ideal packing and transportation environment for any kind of airborne cargo. In addition to general cargo, we provide specialist, high-performance air transportation services for the most time sensitive products.

Contract Logistics and Transportation

With a network of offices and warehouses spanning the globe, we offer a full range of warehousing and distribution services including e-fulfilment, specialist warehousing, transloading, and secure distribution on a national and international basis. Our skilled and experienced teams develop tailored solutions that combine a warehouse space of over 2 million square meters with our integrated domestic transportation network, as well as ocean and air freight forwarding, LT(Logistics Technology) and IT (Information Technology).
Operational Highlights

1Q

April Yusen Logistics (Korea) Co., Ltd. Established the Central Sales Office
Yusen Logistics (Korea) Co., Ltd. (hereinafter "YL-KR") has established a Central Sales Office in Pyeongtaek, a city in Gyeonggi-do Province in central South Korea and launched operations. The commercial launch of the Central Sales Office brought the number of YL-KR's operational bases in South Korea to seven in four cities.

May Yusen Logistics realizes Environmentally Friendly Metal Products Forwarding
Yusen Logistics Co., Ltd. has improved the method of loading metal products in ocean containers and enabled metal products forwarding that uses absolutely no lumber.

Yusen Logistics (Americas) Inc. Expanded its Chicago Warehouse
Yusen Logistics (Americas) Inc. (hereinafter YL-US) relocated its Chicago branch to a site about 15 km from Chicago O'Hare International Airport with an expanded warehouse area of approximately 18,000 m², more than double its previous warehouse space. With this move, YL-US has now completed its logistics operation for a collection and delivery base capable of handling distribution demands for various products, including automotive parts, pharmaceuticals, and perishables, for the entire Midwest.

2Q

July New 40,000 m² Warehouse Opened in Thailand
Yusen Logistics (Thailand) Co., Ltd. established its third warehouse at the Yusen Laem Chabang Logistics Center, at Laem Chabang in Thailand. As a result, its total warehousing space in Thailand exceeds 200,000 m² and become the largest distribution center in Southeast Asia Malaysia.

August New 19,000 m² Warehouse in Czech Republic, Connecting Central-Eastern Europe and Western Europe.
Yusen Logistics (Czech) s.r.o. opened its doors to a brand new Warehouse near Prague, in Strancice on the core D1 highway to Slovakia and Hungary. The new site has been specifically designed to accommodate cross-dock operations in the automotive sector and extended warehousing space for retail clients. The total capacity is approximately 19,000m², which satisfies all current and future customers.

September Yusen Logistics (India) Ltd. Established the Jaipur Sales Office in India
Yusen Logistics (India) Ltd. established a sales office in Jaipur, the capital of Rajasthan, India, and launched operations.

Yusen Logistics (Cambodia) Co., Ltd. Established
Yusen Logistics Co., Ltd. established Yusen Logistics (Cambodia) Co., Ltd.

Yusen Logistics (Myanmar) Co., Ltd. Established
Yusen Logistics Co., Ltd. established Yusen Logistics (Myanmar) Co., Ltd.
### 3Q

**October**

**Participated in the Aerospace Industry Exhibition Tokyo 2013**
Yusen Logistics Co., Ltd. exhibited at the Aerospace Industry Exhibition Tokyo 2013.

**Forest Foster Parent Contract Renewed**
Yusen Logistics Co., Ltd. renewed Forest Foster Parent contract with Tateshinamachi in Kitasakugun, Nagano Prefecture.

**Johannesburg Representative Office Established**
Yusen Logistics Co., Ltd. opened a representative office in Johannesburg, South Africa.

**NYK and YLK Jointly Held Seminar for National Staff from Offices around the World**
Yusen Logistics Co., Ltd. and Nippon Yusen Kaisha jointly conducted 2013 Global NYK/ YLK Week, a training seminar targeting NYK and YLK national staff from around the world. 28 staff members were selected from the Group’s global business bases to attend the seminar.

**November**

**Yusen Logistics Expands LCL Consolidation Service in Asia**
Yusen Logistics Co., Ltd. is bolstering its LCL* own consolidation services to and from Japan. Adding the new lane from Cambodia to Osaka that began operation, it now has a total of 222 lanes, forming one of the largest LCL networks among Japanese logistics companies.

*LCL: Less than Container Load

**Launch of Cambodia to Osaka Service**

**December**

**Walk-through Metal Detectors Installed at Narita Logistics Center**
Yusen Logistics Co., Ltd., as part of its initiatives to enhance security at logistics facilities, has installed and commenced walk-through metal detectors at the Narita Logistics Center and commenced their use. This is the first time a gate-type metal detector has been installed at a YLK logistics center in Japan.

### 4Q

**January**

**The First Temperature Controlled Sea Freight Consolidation Service to Africa Dedicated to the Pharmaceutical Industry**
Yusen Logistics Co., Ltd. launched the European pharmaceutical industry’s first dedicated, temperature controlled sea freight consolidation service to Africa. Weekly sailings will depart from Antwerp, Belgium direct to Cape Town, South Africa.

**Warehouse in Moscow, Russia Expanded**
Yusen Logistics RUS LLC relocated a warehouse in Pokrov, a suburb of Moscow, to expand its space to approximately 24,000 m², making it three times larger than the previous warehouse, and one of the largest warehouse bases in Russia.

**Operations Expanding at Busan New Port**
Yusen Logistics Co., Ltd. is expanding operations in Busan New Port, South Korea, to reduce lead time and lower transportation costs for customers located along the coast of the Sea of Japan, including Sakai, Fushiki, Toyama and Sakata.

**Operations Expanding in Thailand with a 30,000 m² Warehouse in Laem Chabang**
Yusen Logistics (Thailand) Co., Ltd. opened its fourth warehouse in Laem Chabang. The facility brings the company’s total warehousing space in Thailand to approximately 250,000 m².

**February**

**Yusen Logistics Acquired Customs License in Cambodia**
Yusen Logistics (Cambodia) Co., Ltd. acquired a customs license from the Cambodian Ministry of Economy and Finance on February 10th, enabling the company to offer customs clearance services for Cambodian imports and exports. The customs operations will be conducted through all its bases in Cambodia, enabling it to offer the clients further convenient services.