INDEX

I. Review of the Previous Medium-Term Business Plan

Ⅱ. Numerical Targets

Ⅲ. Strategies to Achieve Targets
## I-1. Review of the Numerical Targets

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Consolidated Net Sales (Billions of JPY)</th>
<th>Consolidated Ordinary Income (Billions of JPY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2011</td>
<td>309.0</td>
<td>2.5</td>
</tr>
<tr>
<td>FY2012</td>
<td>339.0</td>
<td>2.7</td>
</tr>
<tr>
<td>FY2013 (forecast)</td>
<td>400.0</td>
<td>4.8</td>
</tr>
</tbody>
</table>

Numerical Targets:
- Consolidated net sales: JPY 500.0 billion for FY2013
- Consolidated ordinary income: JPY 18.5 billion

(Billions of JPY)
I-1. Review of the Numerical Targets

Numerical Targets:
- Ocean Freight Forwarding: 1 million TEU for FY2013 (Group total)
- Air Freight Forwarding: 500 thousand tons

Ocean Freight (unit: TEU)
- FY2011 (result): 450,000
- FY2012 (result): 550,000
- FY2013 (forecast): 570,000

Air Freight (unit: TON)
- FY2011 (result): 350,000
- FY2012 (result): 310,000
- FY2013 (forecast): 310,000
I-2. Review of the Area Strategy

Emerging Market
- Russia
- Brazil
- Bangladesh
- Cambodia
- Myanmar

Priority Target Areas
- India
- China
- South East Asia
- Vietnam
- Indonesia
- Thailand

Growth Strategy for Priority Areas

<New Companies>
Jun 2012 Yusen Logistics Turkey Logistics Services Co., Ltd.
Jul 2012 Yusen Logistics (Bangladesh) Ltd.
Sep 2013 Yusen Logistics (Cambodia) Co., Ltd.
Sep 2013 Yusen Logistics (Myanmar) Co., Ltd.

<New Branches / Offices>
Aug 2011 Zhengzhou Office in China
Jul 2012 Chengdu Branch in China
Sep 2012 Far East Branch in Nakhodka, Russia
Oct 2013 Johannesburg Representative Office in South Africa

<Facilities>
Feb 2013 Yusen Logistics (India) Ltd. Established Four New Warehouses (Total approx. 70,000 m² in India)
Jan 2014 Yusen Logistics RUS LLC expanded the warehouse (Total approx. 30,000 m² in Russia)
Jan 2014 Yusen Logistics (Thailand) Co., Ltd. established 30,000 m² new warehouse (Total approx. 250,000 m² in Thailand)

Business Expansion through Aggressive Investments in Emerging Market
I-3. Review of the Integration

Current Business Scale

Europe
76 locations
650 thousand m²

East Asia
85 locations
240 thousand m²

Japan
73 locations
70 thousand m²

South Asia/Oceania
171 locations
790 thousand m²

Americas
64 locations
260 thousand m²

- Number of employees: 19,004 (*)
- Number of logistics business locations: 469
- Total warehouse space: 2,010 thousand m²
- Number of countries: 39

(The above data is as of December 31, 2013.)

(*) Employees with Consolidated Companies only.
Ⅱ-1. Numerical Targets for FY 2014-2016

Numerical Targets:
- Consolidated net sales: JPY 500.0 billion for FY2016
- Consolidated operating income: JPY 12.0 billion
- Consolidated ordinary income: JPY 12.0 billion

(Billions of JPY)

Net sales  Operating income  Net income

<table>
<thead>
<tr>
<th>FY2013 (forecast)</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>400.0</td>
<td>430.0</td>
<td>460.0</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>4.8</td>
<td>6.5</td>
<td>9.0</td>
</tr>
<tr>
<td>Operating income</td>
<td>4.5</td>
<td>2.1</td>
<td>3.0</td>
</tr>
<tr>
<td>Net income</td>
<td>1.5</td>
<td>2.1</td>
<td>4.0</td>
</tr>
</tbody>
</table>

JPY1.0 trillion (Long-term target)
II-1. Numerical Targets for FY 2014-2016

Numerical Targets
Ocean Freight Forwarding: 850 thousand TEU for FY2013 (Group total)
Air Freight Forwarding: 370 thousand tons

Ocean Freight (unit: TEU)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2013 (forecast)</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></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 (forecast)</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>310,000</td>
<td>330,000</td>
<td>350,000</td>
<td>370,000</td>
</tr>
</tbody>
</table>
II-2. Medium-Term Business Plan and Long-Term Targets

FY2013 (forecast)

Ocean Freight: 570,000 TEU
Air Freight: 300,000 Tons
Net Sales: JPY400.0 bn.
Operating Income: JPY4.5 bn.

Integartion

Fusion

Reinforcement of Business Foundation

Ocean Freight: 840,000 TEU
Air Freight: 370,000 tons
Net Sales: JPY500.0 bn.
Operating Income: JPY12.0 bn.

FY2016 (plan)

Ocean Freight: 570,000 TEU
Air Freight: 300,000 Tons
Net Sales: JPY400.0 bn.
Operating Income: JPY4.5 bn.

Global Top 5
No.1 in Asia

Ocean Freight: 2 million TEU
Air Freight: 700,000 tons
Net Sales: JPY1.0 tn.
Operating Income: JPY35.0 bn.

Long-Term Targets
INDEX

I. Review of the Previous Medium-Term Business Plan

Ⅱ. Numerical Targets

Ⅲ. Strategies to Achieve Targets
III-1. Basic Strategy
III-1. Basic Strategy

**Growth Strategy**

- Expand Total Logistics Services with global customers, utilizing expertise and operations in Asian markets
  - Air and Ocean Forwarding Business: ① Increase volume ② Reinforcement of Core Products (*1) Sales (“Ready-Made” Products Sales)
  - Logistics Business: Enhancement of “Gemba-ryoku” - on-site capability - by continuous “Kaizen”
  - “Tailor-Made “ Services (*2) focused on target industry verticals and emerging markets

**Operational Strategy**

- Improve profitability through ongoing Re-Engineering Project and enhance competitiveness through Global Business Process Management

**Investment Strategy**

- Investment in people: Development of global human resources for Core Products Management and Total Logistics Services
- Investment in systems: Standardization of global IT platforms driven by Business Process Management to support Total Logistics solutions
- Investment in Emerging Markets: Expansion of facilities and transportation network in Asia

(*1) Core Products (‘Read-Made’ Products):

Air & Ocean Core Products (‘Ready-Made’ Products) are defined as ocean and airfreight forwarding services that include shipment tracking and data management, which can be implemented for customers quickly, efficiently and cost effectively as part of YL core competency

(*2) Tailor-made Services:

“Tailor-Made” Services are defined as ‘Total Logistics ‘ Solutions which require Yusen Logistics expertise to integrate multiple services and products to address a customer’s supply chain needs
Ⅲ-2. Sales Composition by Segment

- Net Sales Portfolio by Business Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2013 (forecast)</th>
<th>FY2016 (plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logistics</td>
<td>41%</td>
<td>39%</td>
</tr>
<tr>
<td>Air</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>Ocean</td>
<td>27%</td>
<td>31%</td>
</tr>
<tr>
<td>Others</td>
<td>5%</td>
<td>4%</td>
</tr>
</tbody>
</table>

- Net Sales Portfolio by Geographical Segment

<table>
<thead>
<tr>
<th>Region</th>
<th>FY2013 (forecast)</th>
<th>FY2016 (plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>19%</td>
<td>18%</td>
</tr>
<tr>
<td>East Asia</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>South Asia &amp; Oceania</td>
<td>18%</td>
<td>20%</td>
</tr>
<tr>
<td>Americas</td>
<td>21%</td>
<td>20%</td>
</tr>
<tr>
<td>Europe</td>
<td>23%</td>
<td>22%</td>
</tr>
<tr>
<td>South Asia &amp; Oceania</td>
<td>18%</td>
<td>20%</td>
</tr>
</tbody>
</table>

FY2013 (forecast) FY2016 (plan)
Ⅲ-3. Strategic Framework

1. Business Strategy

2. Sales Strategy

3. Area Strategy

Basic Management Strategy

Compliance

Finance

Organization

IT

HR

3D Management

Air

Ocean

Contract Logistics

Land Transport

Customer A

Customer B

Customer C

Customer D

Customer E

Americas

Europe

South Asia / Oceania

East Asia

Japan
III-4. Business Strategy

Ocean Freight Forwarding Business

Goal: An Industry Leading Global Ocean Freight Forwarding provider

OBJECTIVE:
Volume Target  FY2016
850 K TEU
Meet growth targets through Business Process Re-engineering and product development that drives scalability and delivers competitive Ocean Freight Forwarding services.

- Sales development focused on core products
- Targeting of Global customers importing and exporting from Asia

- Diversification of products
- Development of core service products
- Expansion of the Origin Cargo Management service

- Improvement in procurement through strategic partnership with Core Carriers
- Increase collaboration between Ocean and Solutions sales
- Professional development human resources
Ⅲ-4. Business Strategy

② Air Freight Forwarding Business

Goal: An Industry Leading Global Air Freight Forwarding provider

OBJECTIVE:
Volume Target FY2016
370 K tons
Meet growth targets through Business Process Re-engineering and product development that drives scalability and delivers competitive Air Freight Forwarding services.

- Development of core service products
- Product development focused on customers’ needs in specific industry verticals
- Enhancement of operational efficiency and standardization based on streamlined Business Process Management / IT infrastructure
- Sales development focused on core products
- Targeting of Global customers importing and exporting from Asia
- Improvement in procurement through strategic partnership with Core Carriers
- Professional development of human resources
Ⅲ-4. Business Strategy

③ Contract Logistics Business

Delivering high quality services which are selected and continue to be selected by customer

- To satisfy both of product lineup enhancement and profitability
- To become a core component in the Yusen group growth strategy as a total logistics service provider

Aim to be No.1 Kaizen Company

Competitive 'Gemba'
- Standard quality creation
- Thorough cost management
- Run the PDCA cycle
- Establish Win-Win relationship

- Project Management
- Cost Management
- Quality Control
- Solution Proposal
- Logistics Technology & IT
- Cultivation of Global Human Resources
Goal: An Industry Leading Global Logistics Service Provider with “Enhanced Core Service Products” & “Sophisticated Logistics Solution Design”
Ⅲ-5. Sales Strategy

Global Logistics Sales Approach

Selected Industry Verticals & Strategic Emerging Market Area

Industry Verticals
- Aerospace
- Automotive
- Project Cargo
- Technology
- Healthcare
- Retail
- Food

Emerging Market Area
- Turkey
- Mexico
- BRICs
- Indian Subcontinent
- ASEAN Areas
- Food

Logistics Optimization Solution Service
Ⅲ-6. Area Strategy

① Japan Region

73 locations, 70 thousand m²

<table>
<thead>
<tr>
<th>Priority Measures</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>· Reinforcement of forwarding business of off-shore trades</td>
<td></td>
</tr>
<tr>
<td>· Expansion of import business and project cargo handling</td>
<td></td>
</tr>
<tr>
<td>· Expansion of Total Logistics Service</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(Area Strategy)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>· Increase of import and export handling volume by expanding customer base</td>
<td></td>
</tr>
<tr>
<td>· Service development of import, off-shore business and Ocean LCL</td>
<td></td>
</tr>
<tr>
<td>· Sales reorganization and development of human resources focused on growing industry verticals</td>
<td></td>
</tr>
<tr>
<td>· Further expansion of business locations</td>
<td></td>
</tr>
</tbody>
</table>

FY2016

- Net sales: JPY 89.0 bn.
- Operating income: JPY 1.9 bn.
- Total investment amount: JPY 2.0 bn.

(Billions of Yen)

- 2013 (forecast): 1.2
- 2014 (plan): 1.4
- 2015 (plan): 1.7
- 2016 (plan): 1.9

Net sales: dark blue line, Operating income: light blue line
Ⅲ-6. Area Strategy

② Americas Region

- Expansion of businesses with global customers
  - 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

### FY2016

<table>
<thead>
<tr>
<th>Priority Measures</th>
<th>(Area Strategy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales JPY110.0 bn.</td>
<td>Expand intra-region, trans-Atlantic, and further develop trans-Pacific forwarding business</td>
</tr>
<tr>
<td>Operating income JPY1.4 bn.</td>
<td>Expand and deepen relationships with customers who have a global reach (sourcing or operations) e.g. retailers</td>
</tr>
<tr>
<td>Total investment amount JPY1.5 bn.</td>
<td>Expand logistics business in each domestic market, Grow revenue of domestic transportation in the United States</td>
</tr>
</tbody>
</table>

- 64 locations, 260 thousand m²

- Net sales JPY110.0 bn.
- Operating income JPY1.4 bn.
- Total investment amount JPY1.5 bn.

### Americas Region

- 2013 (forecast)
- 2014 (plan)
- 2015 (plan)
- 2016 (plan)

- 0.1
- 0.2
- 0.5
- 1.4

(Billions of Yen)
### III-6. Area Strategy

#### Europe Region

- **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

- **FY2016**
  - Net sales JPY109.0 bn.
  - Operating income JPY0.6 bn.
  - Total investment amount JPY2.0 bn.

- **Graph**
  - Net sales
  - Operating income

- **Data**
  - 76 locations, 650 thousand m²

- **Timeline**
  - 2013 (forecast): -1
  - 2014 (plan): -0.5
  - 2015 (plan): 0
  - 2016 (plan): 0.6

(Billions of Yen)
III - 6. Area Strategy

④ East Asia Region

85 locations, 240 thousand m²

<table>
<thead>
<tr>
<th>Priority Measures</th>
<th>Area Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Expand forwarding business through “Selection and Focus” strategies</td>
<td>• Expand businesses to Europe and to the Americas</td>
</tr>
<tr>
<td>• Reform Contract Logistics and Transport business</td>
<td>• Promote LCL products sales</td>
</tr>
<tr>
<td></td>
<td>• Induce various logistics business models in China as consuming market</td>
</tr>
<tr>
<td></td>
<td>• Reinforce inland logistics capabilities in China (Automobile industry, Yangtze River transportation)</td>
</tr>
</tbody>
</table>

FY2016

Net sales JPY100.0 bn.
Operating income JPY1.4 bn.
Total investment amount JPY2.5 bn.

<table>
<thead>
<tr>
<th>Year</th>
<th>Net sales (Billions of Yen)</th>
<th>Operating income (Billions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>-0.3</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>0</td>
<td>0.8</td>
</tr>
<tr>
<td>2015</td>
<td>74.8</td>
<td>91.0</td>
</tr>
<tr>
<td>2016</td>
<td>100.0</td>
<td>1.4</td>
</tr>
</tbody>
</table>

(Billions of Yen)
Ⅲ- 6. Area Strategy

South Asia and Oceania Region

171 locations, 790 thousand m²

FY2016
- Net sales JPY102.0 bn.
- Operating income JPY6.9 bn.
- Total investment amount JPY7.0 bn.

Priority Measures
- Expand business scale through aggressive investments in growing/newly emerging countries

(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

<table>
<thead>
<tr>
<th>Year</th>
<th>Net sales (bn)</th>
<th>Operating income (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 (forecast)</td>
<td>4.8</td>
<td></td>
</tr>
<tr>
<td>2014 (plan)</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>2015 (plan)</td>
<td>6.2</td>
<td></td>
</tr>
<tr>
<td>2016 (plan)</td>
<td>6.9</td>
<td></td>
</tr>
</tbody>
</table>
III - 7. Operational Excellence through Global BPM

① Industry Leading Operational Effectiveness

- Optimization of operational process by Visualization, Standardization and Equalization

② Industry Leading Operational Quality

- Providing high-quality service and accurate information to customers
III-8. Basic Management Strategy

① **HR Strategy / Organization Strategy**

- Promotion of global HR
- Focus on the securing, development, and strategic assignment of human resources responsible for global logistics
- Strengthening of the 3D Management through collaboration between GHQ and RHQ

② **Strategy to enhance compliance**

- Enhancement and dissemination of a global compliance system

③ **Financial Strategy**

- Reinforcement of financial standing by improving the efficiency of financial flows within the group
III-8. Basic Management Strategy

4 IT Strategy

- Promotion of innovation on IT infrastructure and global optimization with standardization of technology across common platforms

5 Contribution to Stakeholders

- Enhancement of corporate value by improving stakeholder communication and continuing to offer steady dividends
Inquiries about this Document

The Company business projections and strategies in this document are based on information available at present and contain uncertainties. Actual results and other data may differ from the projections due to various factors occurring in the future.

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