

Overview of Fiscal 2009

Driven by the basic corporate philosophy in the Delivery Business of "Total Reliability," the Yamato Group aggressively pursued the strategy of differentiation from competitors through proposal-type marketing approaches, in which it provides customers with its total service capability, and by sophistication of service quality.

For corporate clients, the Group strove to help them solve their logistics problems by offering a combination of its LT (logistics technology), IT (information technology) and FT (financial technology) functions that it had cultivated in the *Takkyubin* service.

For individual customers, the Group promoted greater convenience by expanding the address label issuance service and tracking shipments service in its membership service called "*Kuroneko Members*," in addition to providing refined services by expanding the network of service offices.

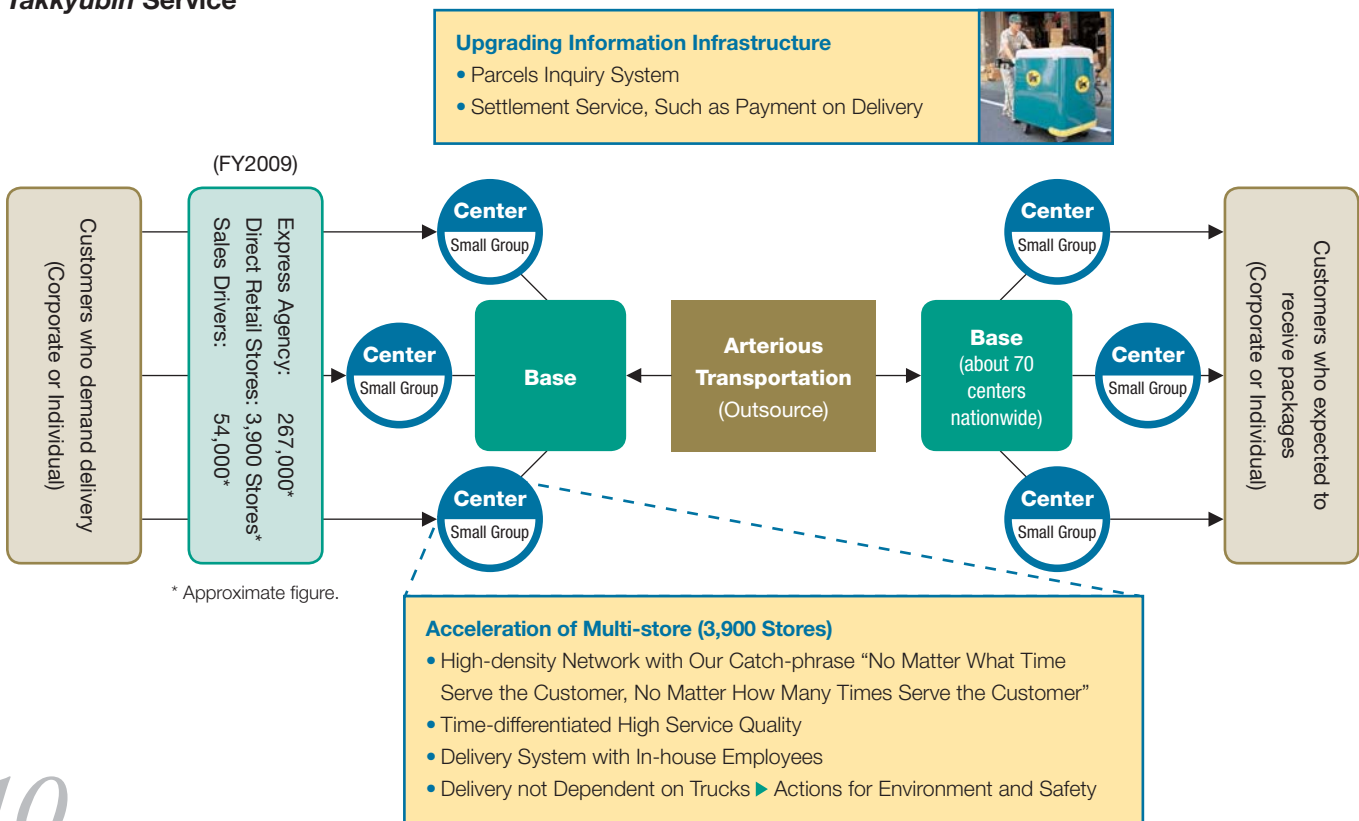
In the *Kuroneko Mail* service meanwhile, the Group increased business mainly with corporate clients and steadily boosted the delivery volumes by taking comprehensive

proposal-type marketing approaches by adding value-added services such as enclosing and sealing of printed materials and provision of software for preparing address labels.

The Group has been making efforts to improve productivity with the aim of further strengthening its management foundation for sustained growth in the future, and has succeeded in introducing new mechanisms and assigning a proper workforce in accordance with the volume of business. From the current fiscal year, we have been seeing steady benefits in terms of reduced costs in proportion to income. Looking ahead, we will continue to pursue improvements to enhance our earnings structure.

As a result, operating revenues for the year under review for the Delivery Business were ¥997,898 million, up moderately by 1.7% from the previous fiscal year. However, operating income amounted to ¥31,123 million, down 21.9% from the previous fiscal year, despite the effect of reduction in various costs through productivity improvement due to the effect of underperformance of operating revenue compared with the performance forecasts.

Takkyubin Service



Overview of Fiscal 2009

In the BIZ-Logistics Business, the Yamato Group aggressively took proposal-type marketing approaches that aim at suiting various customers by providing comprehensive logistics and international cargo transportation services within the Group.

Our sales & logistics service, particularly in the domestic logistics area, grew steadily as our business model that reduces the time and cost of logistics was well received by customers.

As a result, the Group aggressively expanded business by setting up "Auto-pick factory," an automated warehouse operated 24 hours a day, 365 days a year, in Misato City, Saitama, in October 2008, as well as in Narashino City, Chiba, in November 2008 and in Osaka City in February 2009.

In the future, the Group will strive to expand business by aggressively emphasizing its competitive edge in the market by combining this Auto-pick factory service and refined network in the *Takkyubin* service business.

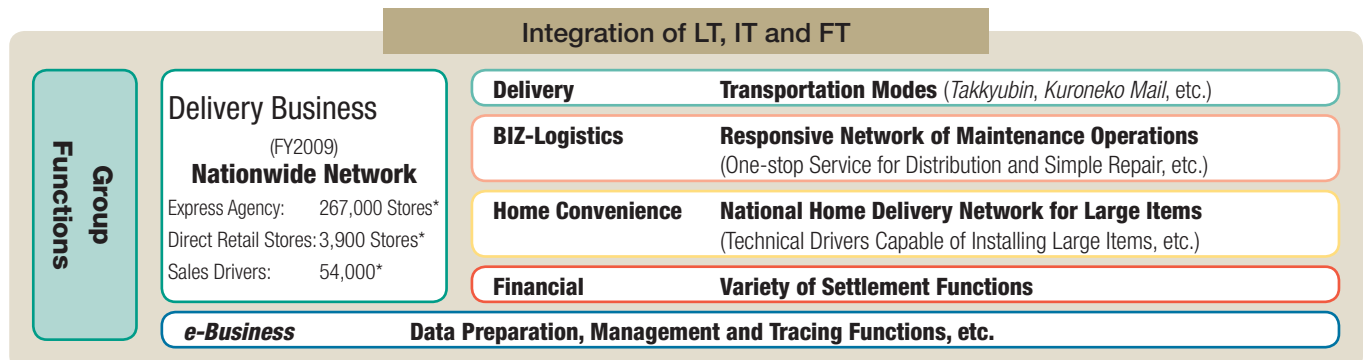
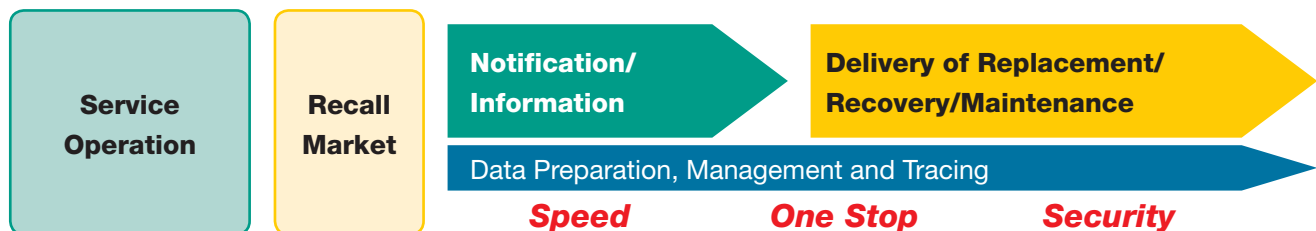
In the multi-maintenance business in the domestic logistics area, the Yamato Group provides one-stop services for product maintenance from accepting requests for collection of defective products, collection, repair and redelivery of repaired products within the Group, and these have been

well received as services which increase the convenience of consumers who are users and enhance the customer satisfaction level of client companies. By taking such expansion of demand as a business opportunity, the Group spun off the multi-maintenance business as Yamato Multi-Maintenance Solutions Co., Ltd. in October in an effort to accelerate the speed of its growth.

In the trading logistics service in the international logistics area, the Yamato Group used aggressive marketing to increase the sales of "Export Factory" which enables clients to reduce the time and cost of exporting by simultaneously handling packaging for export, documentation and custom clearance procedures in one location. However, operating revenue in the business decreased due to a decline in exports notably for the U.S. as a result of the rapid economic deceleration.

Operating revenues for the year under review amounted to ¥92,947 million, down 2.9% from the previous fiscal year, due to the weak performance in the mainstay trading logistics service, in addition to the appreciation of the yen. In the meantime, operating income was ¥3,195 million, which was a decrease of 37.9% from the previous fiscal year.

Recall Support Service



* Approximate figure.

Home Convenience

Overview of Fiscal 2009

In the Home Convenience Business, the Yamato Group aggressively pursued business such as a nationwide rollout of high-value-added and technically-supported delivery that provides customers with convenient and comfortable living.

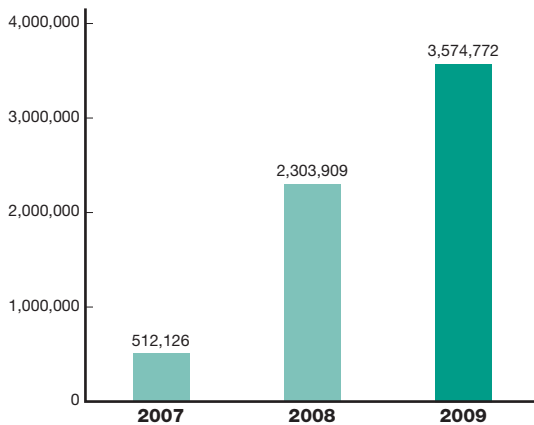
In particular, we were able to acquire new customers and accelerate the steady market penetration of our delivery with installation business, in which we install and set up electronic appliances, on the strength of our nationwide network and technology capability. However, operating income decreased mainly due to an increase in vehicle hiring expenses.

In the moving solution business, the Yamato Group made an effort to strengthen its competitive edge by renewing its moving services in October 2008 to enhance the moving business for corporate clients by offering a service of transportation using a transport box that takes advantage of our network. However, due partly to the continuation of weak market conditions in the overall moving industry, the Group was unable to make a profit.

As a result, operating revenues rose 8.9% from the previous fiscal year to ¥53,315 million. On the cost front, subcontracting expenses for items such as hired vehicles increased. As a result, the Group posted an operating loss of ¥340 million.

Household Takkyubin Handling Volume

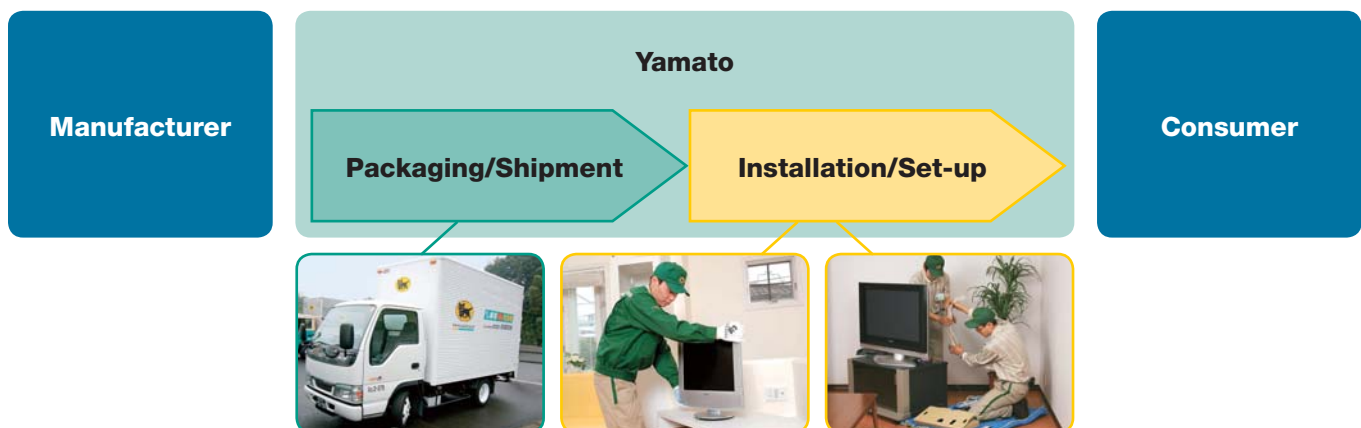
(Items)



Employees Practice Installation



Household Takkyubin Service



Overview of Fiscal 2009

In the e-Business, the Yamato Group implemented proposal-type marketing that appropriately responds to diversifying needs of customers based on the keywords of “tracking,” which provides tracking information, “security,” which provides customers with security, and “package,” which includes high-quality, low-cost and early introduction of solutions.

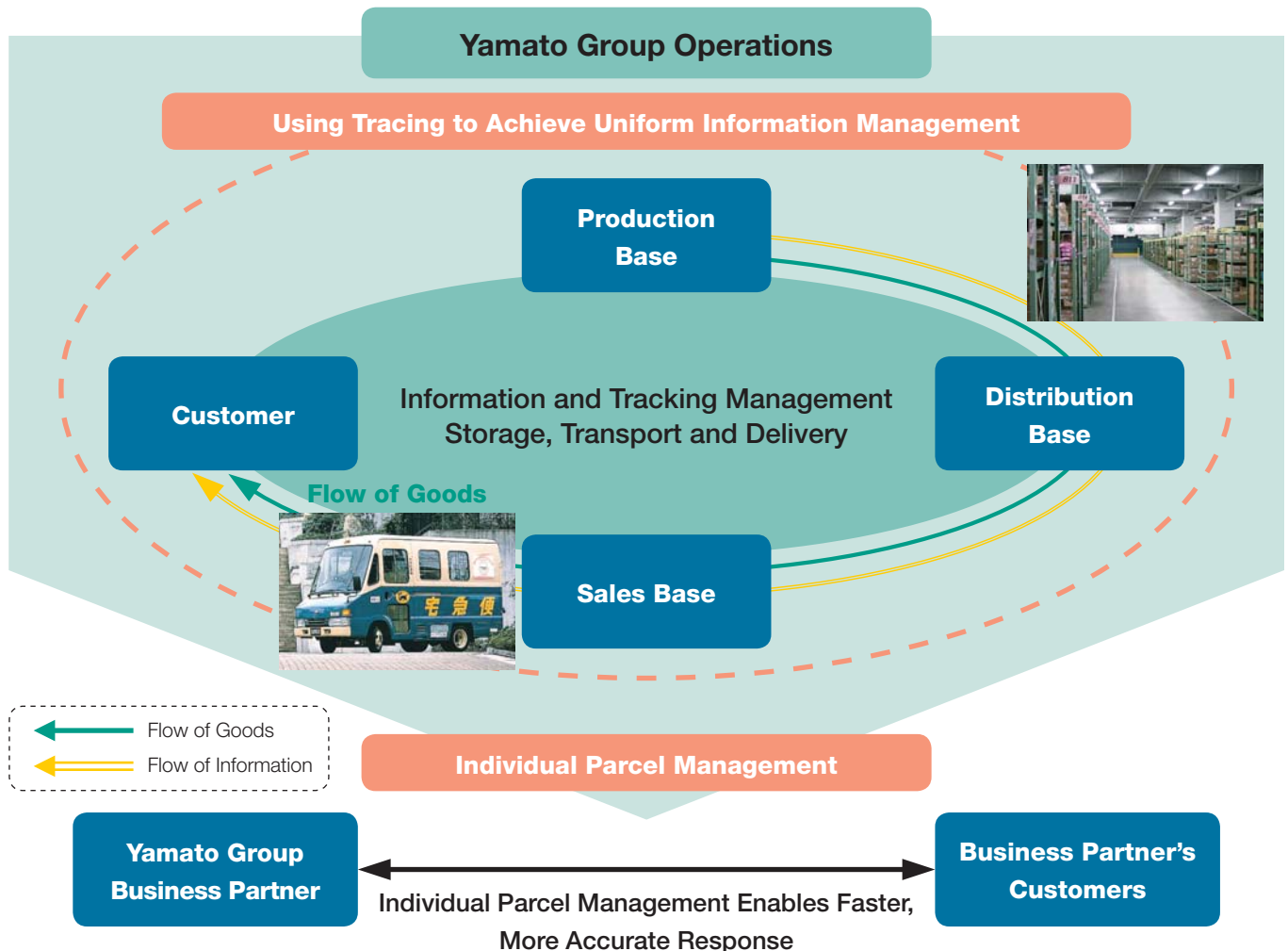
In the “net-supermarket” business area, in which we expect demand will expand, the Yamato Group immediately seized a business opportunity and built a system to support

supermarkets in the development of business with low initial costs in a short timeframe.

In the future, the Group will try to emphasize its competitive advantage that it is able to provide the comprehensive service capability of the Group to expand business promptly.

Operating revenues amounted to ¥32,273 million, down 1.6% from the previous fiscal year. Operating income was ¥6,059 million, down 2.7% from the previous fiscal year, due to the increase in subcontracting expenses for items such as cost of goods purchased.

e-Logistics Tracing Solution



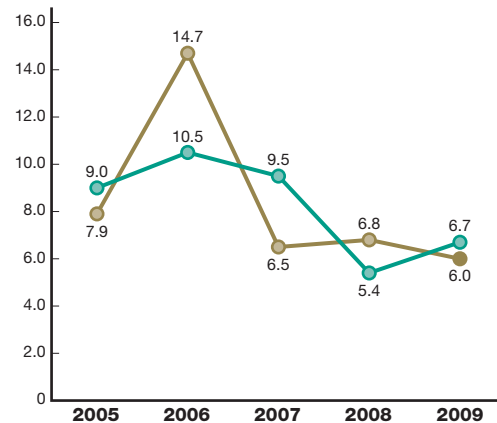
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In the Financial Business, the Yamato Group is endeavoring to respond to every means of settlement to meet the needs of customers in an effort to promote business expansion from collection on product delivery to B2B logistics settlement. Based on this policy, the Group emphasized the convenience to clients engaged in the mail-order business by launching the Internet total settlement service “*Kuroneko Web Collect*” on its PC website in August 2008 and on the mobile-based website in March 2009, and promoted businesses for supporting the enhancement of sales capabilities of mail-order companies.

Operating revenues amounted to ¥53,608 million, up 4.2% from the previous fiscal year. However, operating income was ¥10,506 million, down 3.8% from the previous fiscal year due partly to higher expenses.

The Growing Mail-order Sales Market and *Takkyubin Collect*

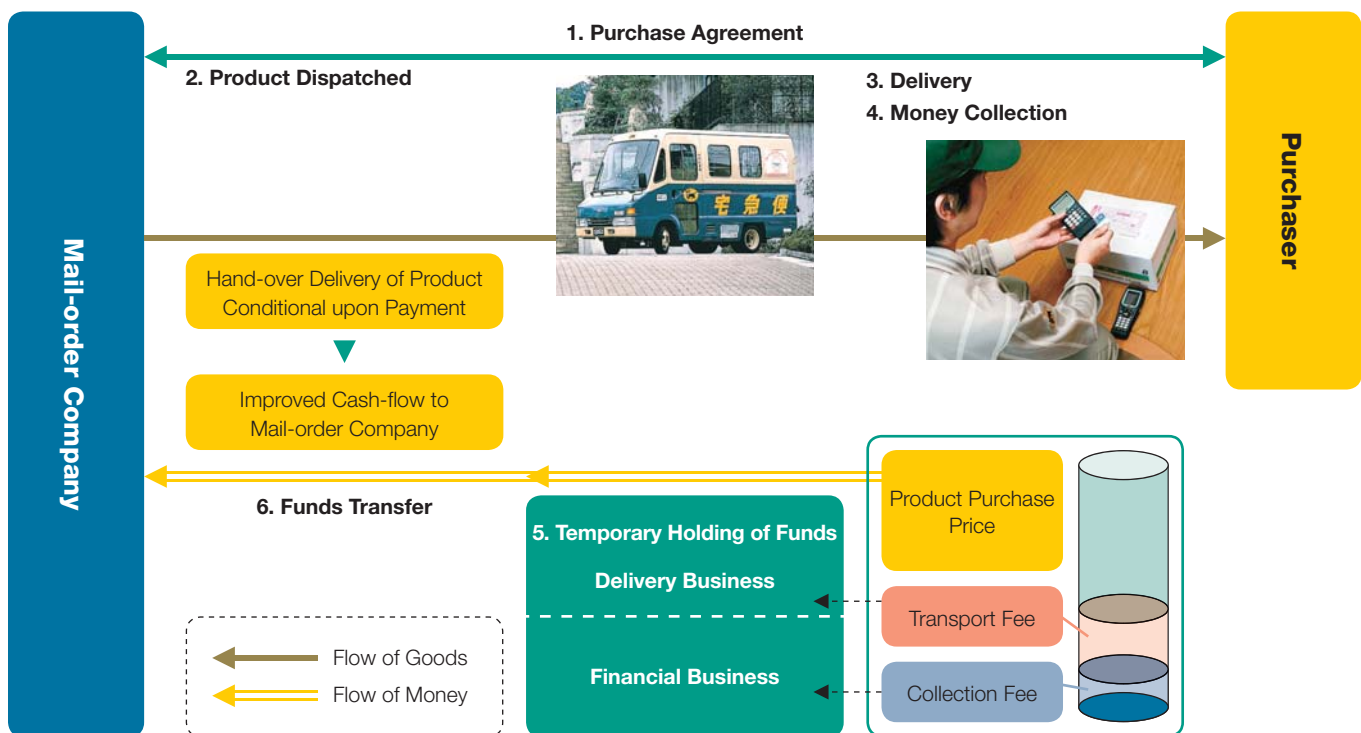
(%)



● YoY change in mail-order sales
● YoY change in *Takkyubin Collect* parcel volume

Source: The Japan Direct Marketing Association

Cash on Delivery Service



Truck Maintenance

Overview of Fiscal 2009

In the Truck Maintenance Business, the Yamato Group supported truck transportation and bus service companies by providing vehicle maintenance service for 24 hours a day, 365 days a year, to enable customers to receive vehicle maintenance service without stopping operations.

To do this, the Yamato Group aggressively expanded the number of “Superworks” vehicle maintenance plants to 13 by the end of the year, adding four plants, which included the full-scale start-up in July 2008 of the Chiba Plant’s “Superworks.”

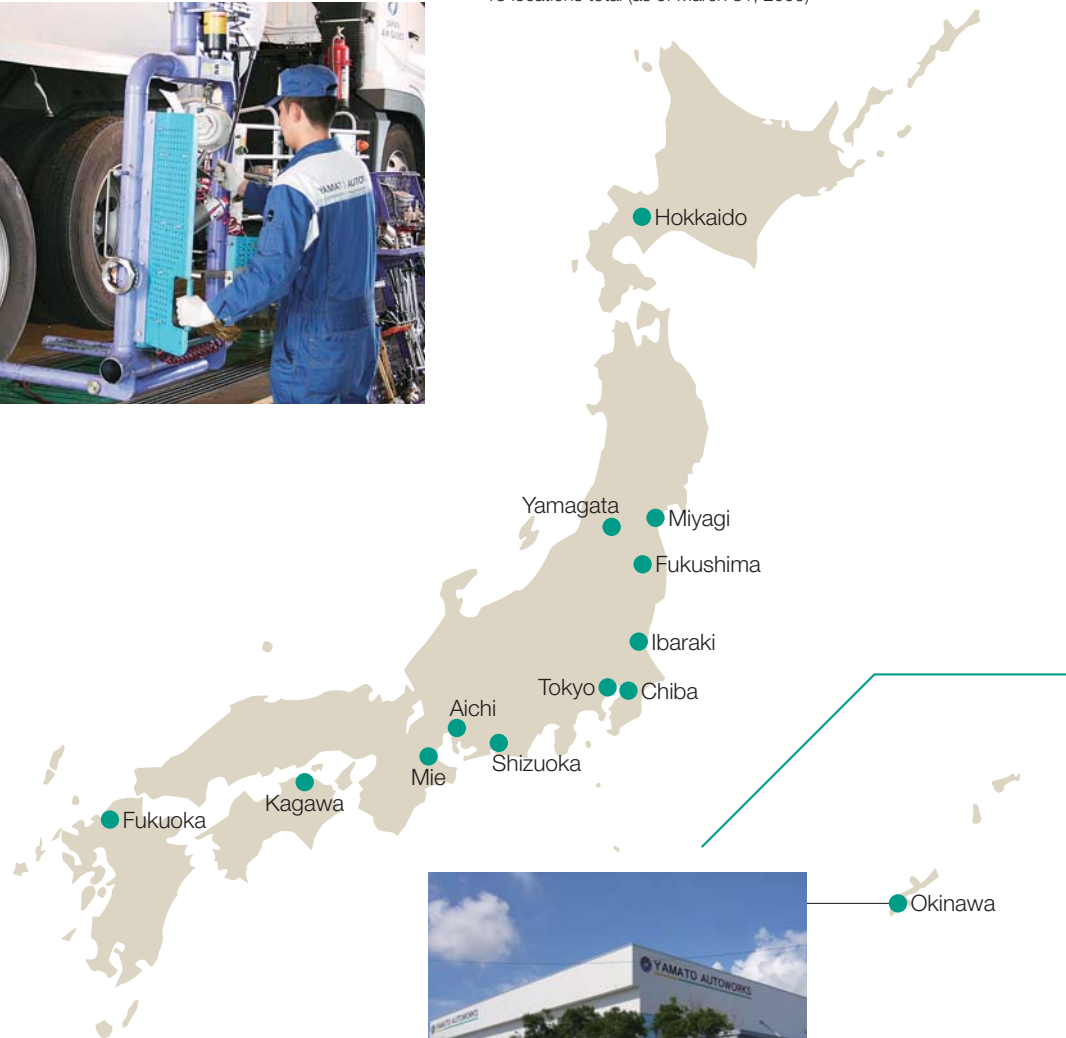


In addition, the Group strove to further improve the convenience of customers by launching operations of a vehicle management system, in which we perform statutory inspections on vehicles under management and provide maintenance-record information to corporate customer members on a website.

Operating revenues amounted to ¥17,555 million, an increase of 54.0% from the previous fiscal year, due to higher revenues from fuel sales. However, operating income was ¥1,711 million, down 16.9% from the previous fiscal year, due to an increase in upfront investment costs.

Superworks Locations

13 locations total (as of March 31, 2009)



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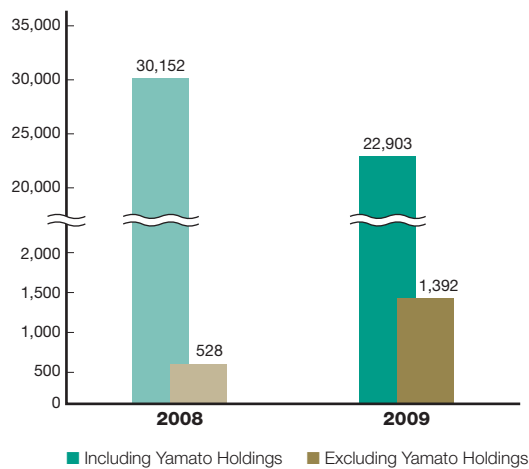
With respect to "JITBOX Charter" service, the Yamato Group took aggressive marketing approaches, supported by a sales structure composed of 15 Group companies, to promote penetration of its product characteristics in inter-company distribution such as just-in-time and frequent, right-volume delivery by transport box. However, handling volume

decreased due partly to sluggish shipment movements as a result of production adjustments by companies.

Operating income in other businesses excluding dividends which Yamato Holdings Co., Ltd. received from Group companies grew 163.9% from the previous fiscal year to ¥1,392 million.

Operating Income

(Millions of Yen)



Track Record of JITBOX Charter

(Units)

