

## To Our Shareholders



left  
**Kaoru Seto**  
 Representative Director and Chairman

right  
**Makoto Kigawa**  
 Representative Director,  
 President and Executive Officer

# The Next Step *Forward*

*Becoming a Leading Provider of Distribution and Lifestyle Support Solution Services in Asia*

We offer our prayers for those who lost their lives in the Great East Japan Earthquake, and offer our deepest sympathies to all those affected by this disaster.

The Yamato Group's management philosophy is to help enrich our society by enhancing the social infrastructure of *Takkyubin* networks, creating more convenient services for comfortable lifestyles and developing an innovative logistics system. This philosophy also aims to generate sustained growth and maximize corporate value while balancing growth potential, financial soundness and operating efficiency.

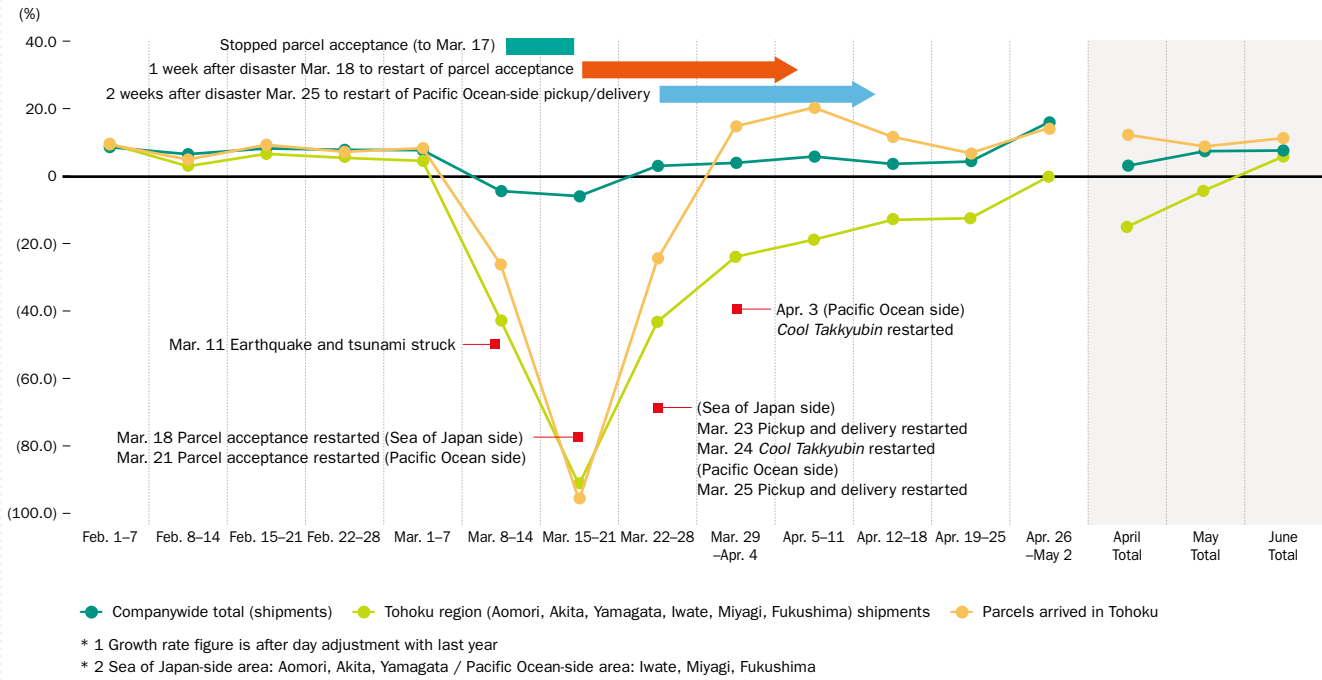
### Review of fiscal 2011

Fiscal 2011 was the final year of our medium-term management plan, Create Satisfaction Three-Year Plan. Consolidated operating revenues for fiscal 2011 increased 3.0% from the previous year to ¥1,236,520 million, while

### Financial Results

	Millions of Yen			Change	
	FY09/3	FY10/3	FY11/3	Increase/ Decrease	YoY (%)
<b>Operating revenues</b>					
Delivery	¥ 997,898	¥ 966,480	¥ 995,651	¥29,171	3.0
Non-Delivery	254,024	234,354	240,869	6,515	2.8
Total	1,251,922	1,200,834	1,236,520	35,686	3.0
<b>Operating income</b>	55,721	61,389	64,314	2,925	4.8
(Margin)	4.5%	5.1%	5.2%	–	–
<b>Net income</b>	25,523	32,282	33,208	926	2.9
(Margin)	2.0%	2.7%	2.7%	–	–

### Trends in *Takkyubin* Handling Volume before and after the Great East Japan Earthquake



operating income increased 4.8% to ¥64,314 million. Amidst a harsh business environment caused by the prolonged economic slump, we were able to attain revenue and profit increases despite suffering damage from the Great East Japan Earthquake that occurred on March 11 by focusing our efforts on recovery of our network to fulfill our role as infrastructure, and by actively promoting rebuilding assistance in affected areas.

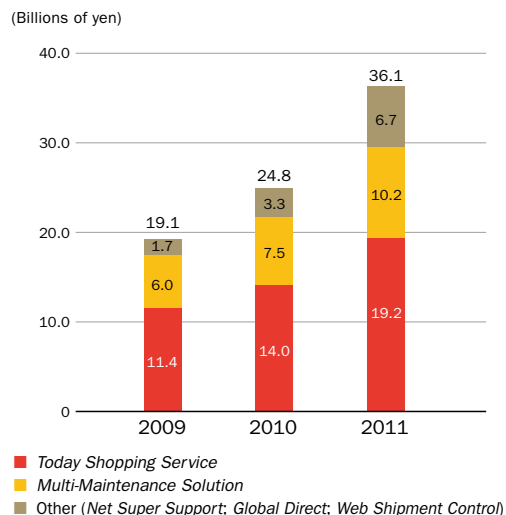
combining information technology (IT), logistics technology (LT), and financial technology (FT).

As a result, we developed new services such as *Today Shopping Service* and *Multi-Maintenance Solution* despite facing the Lehman shock and other unprecedented changes in the business environment, promoting the rollout of new businesses to meet ever-advancing customer needs.

### Evaluation and review of Create Satisfaction Three-Year Plan

We were unable to attain the targets for operating income declared when we formulated our Create Satisfaction Three-Year Plan due to the effects of rapid economic deterioration caused by the global financial crisis of September 2008. During this medium-term management plan, however, we outlined our two major policies of establishing an overwhelming leadership position in the parcel delivery market and creating strategic global footholds in the Asia region, and actively worked to create unique services that cannot be duplicated by others by organically

### Revenues from 5 solution models



## Development Status of Overseas *Takkyubin* Business



In addition, *Takkyubin* business was started in Shanghai and Singapore in January 2010, and in Hong Kong in February 2011, and will start in Malaysia this September. The fact that we were able to launch a *Takkyubin* business in Asia is very significant, and we believe that we were able to gain a foothold in our global strategy. Transaction volume overseas is still small, but an analysis of customer trends and market penetration makes us confident that this will become a major earnings pillar in the future.

The Yamato Group, as the only logistics company with a network extending the “last mile” to the end user, will continue to provide society with new value and create the defining trends of the times. We intend to continue managing the company with an eye on growth in order to continue to be the logistics partner chosen and trusted by customers.

## Hopes for next generation of management

Finally, I, Kaoru Seto, stepped down from the post of president of Yamato Holdings after five years on April 1, 2011, and became Chairman. Going forward, I will move away from the post of president and be in a position to supervise the executive side. I would like to ensure that the path to sustained growth is a certain one by supporting new management led by new President Makoto Kigawa from a different position than before.

Please look forward to future growth by the Yamato Group. We ask for your continued support and encouragement.

September 12, 2011

*Kaoru Seto*

**Kaoru Seto**

Representative Director and Chairman

*M. Kigawa*

**Makoto Kigawa**

Representative Director, President and Executive Officer