



The Yamato Group’s management philosophy is to help enrich our society by enhancing the social infrastructure of *TA-Q-BIN* 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 2012

In fiscal 2012, the Japanese economy as a whole showed signs of stagnation brought on by sustained yen appreciation, slowing in overseas economies due to the European debt crisis, and other factors. However, economic conditions began to gradually recover on mounting demand associated with reconstruction work following the Great East Japan Earthquake of March 2011.

In this operating climate and in the initial year of our medium-term management plan, “DAN-TOTSU Three-Year Plan HOP,” the Yamato Group in fiscal 2012 was unable to achieve operating income in excess of the Company’s plans due in part to a decline in *Kuroneko Mail* handling volume associated with stricter policies on parcel acceptance that emphasize compliance. However, the Yamato Group made progress developing new businesses for properly responding to customers’ increasingly sophisticated needs. This, and strong *TA-Q-BIN* handling volume in an expanding mail-order market, supported our performance.

Overseas, we launched the *TA-Q-BIN* business in Malaysia in September 2011. This business is already in operation in Shanghai, Singapore and Hong Kong.

We continued to donate to our “ten yen for every parcel we deliver in Japan” initiative to fulfill our social mission and help in the revitalization of local people’s living conditions and industrial infrastructure in the region devastated by the Great East Japan Earthquake, and otherwise actively helped in the region’s recovery.

Operating revenues increased 2.0% year on year to ¥1,260,833 million and operating income increased 3.6% to ¥66,651 million. These figures were close to record-high revenues and earnings.

	Millions of Yen				Change	
	FY09/3	FY10/3	FY11/3	FY12/3	Increase/ Decrease	YoY(%)
Operating revenues						
Delivery	¥ 997,898	¥ 966,480	¥ 995,651	¥1,014,564	¥ 18,913	1.9
Non-Delivery	254,024	234,354	240,869	246,269	5,400	2.2
Total	1,251,922	1,200,834	1,236,520	1,260,833	24,313	2.0
Operating income	55,721	61,389	64,314	66,651	2,337	3.6
(Operating Margin)	4.5%	5.1%	5.2%	5.3%	–	–
Net income	25,523	32,282	33,208	19,787	(13,421)	(40.4)
(Net Margin)	2.0%	2.7%	2.7%	1.6%	–	–

Fiscal 2013

In fiscal 2013, which will mark the second year of our medium-term management plan, DAN-TOTSU Three-Year Plan HOP, our goal is record-high operating income of ¥70.0 billion.

The business environment is constantly changing, but our management strategy is unwavering.

The strategy we have followed since adopting a pure holding company system in 2005 is to fully utilize the Group’s business assets to bring about innovation in commercial distribution and help enrich society.

While generating growth in the e-Business, Financial Business and other non-delivery businesses, which boast high profit margins in their respective domains, we will also add new value to the Delivery Business to stimulate even greater growth in physical distribution.

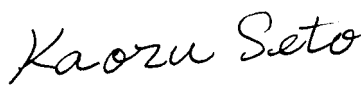
High crude oil prices and increased personnel costs associated with social insurance rate reforms will push down earnings levels temporarily, but the Yamato Group has a nationwide network extending the “last mile” to the end user.

As a logistics company, we will promote the development of new services and new businesses to accommodate ever-advancing customer needs, as we continue providing society with new value and creating trends that will define the future.

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.

We ask our shareholders for your ongoing encouragement and support.

September 2012



Kaoru Seto
Representative Director and Chairman



Makoto Kigawa
Representative Director,
President and Executive Officer