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# **Settlement of Accounts Meeting for the Fiscal Year Ended March 31, 2010**



**April 30, 2010**

**YAMATO HOLDINGS CO., LTD.**

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# 1. Overview of Operating Results

## 1. Points of FY 2010 operating results

- Operating income for FY 2010 was ¥61.3 billion compared with ¥60.0 billion that was forecasted in January, up ¥5.6 billion YoY.
- Delivery Business
  - Takkyubin parcel volume was up 2.4% YoY. Recovery particularly occurred in the large lot commercial, which showed firm growth, and in small lot commercial.
  - Takkyubin unit price was down 3.3% YoY due to delays in improvements.
- Non-Delivery Business
  - Although demand continued to weaken in some segments, the onset of recovery occurred in the 4th quarter, particularly in the BIZ-Logistics business and business results momentum showed a trend of improvement.

## 2. FY 2010 operating results

(Billions of yen)

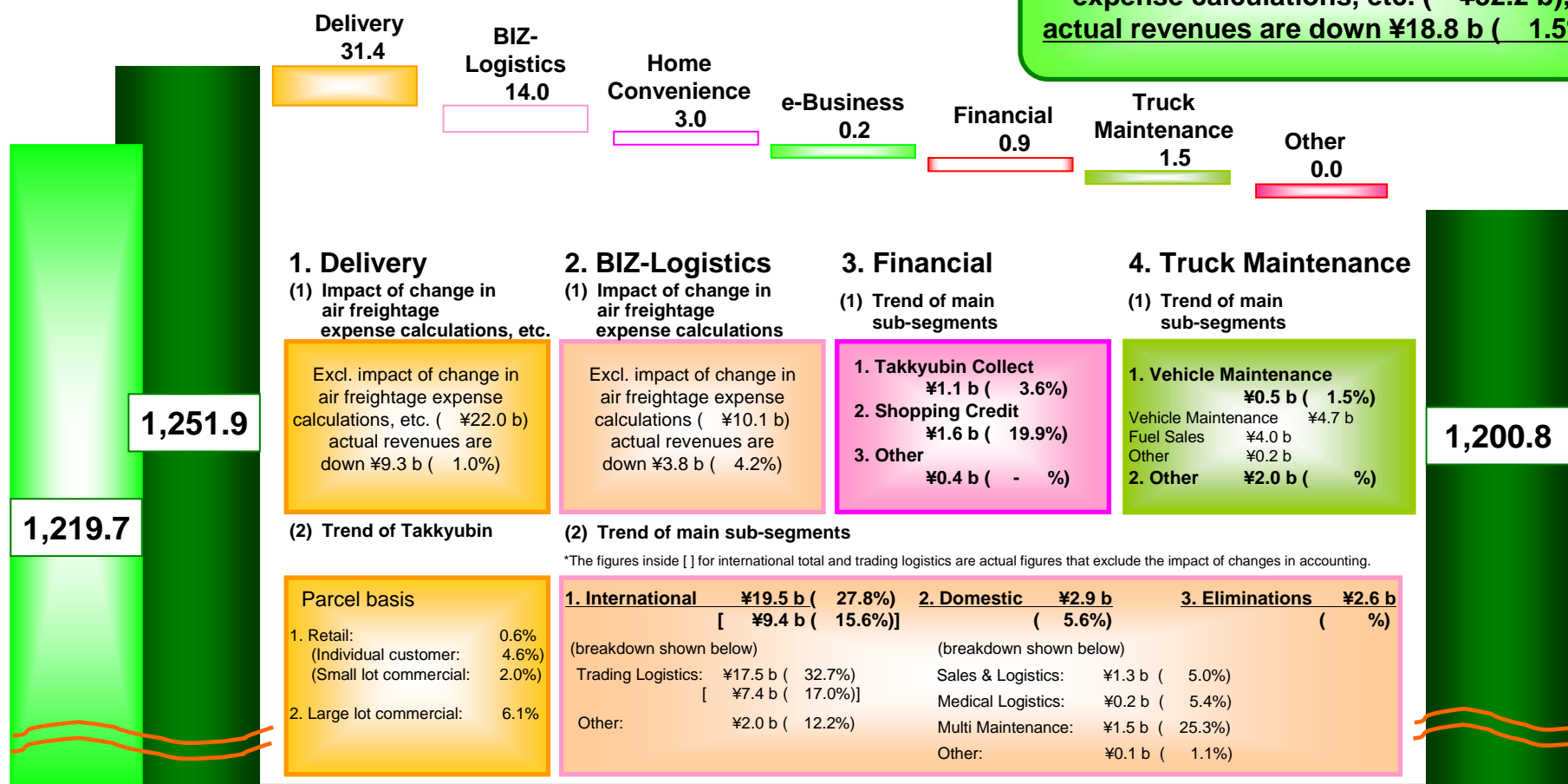
	FY 2010 (Actual)	FY 2009 (Actual)	FY 2010 (Jan 2010 forecast)	YoY Change		Forecast Change	
				Amount	[%]	Amount	[%]
<b>Operating revenues</b>							
Delivery	966.4	997.8	963.0	(31.4)	(3.1)	3.4	0.4
Non-Delivery	234.3	254.0	233.0	(19.6)	(7.7)	1.3	0.6
Total	1,200.8	1,251.9	1,196.0	(51.0)	(4.1)	4.8	0.4
<b>Operating income</b>	61.3	55.7	60.0	5.6	10.2	1.3	2.3
[Profit margin]	5.1%	4.5%	5.0%	-	-	-	-
<b>Ordinary income</b>	63.3	57.8	62.0	5.4	9.5	1.3	2.1
[Profit margin]	5.3%	4.6%	5.2%	-	-	-	-
<b>Net income</b>	32.2	25.5	32.0	6.7	26.5	0.2	0.9
[Profit margin]	2.7%	2.0%	2.7%	-	-	-	-

## 2. YoY Analysis of Operating Revenues

(Billions of yen)

YoY ¥51.0 b ( 4.1%)

Excl. impact of change in air freightage expense calculations, etc. ( ¥32.2 b), actual revenues are down ¥18.8 b ( 1.5%)



(Actual after FY 2009 adjustment) (Actual)

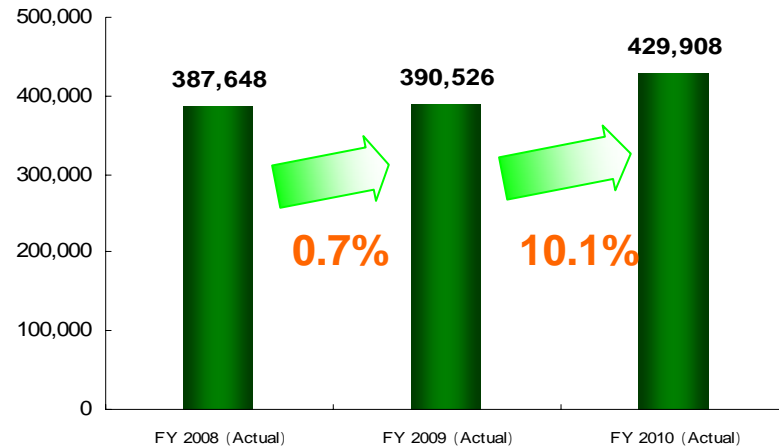
FY 2010 (Actual)

# 3. Delivery Business

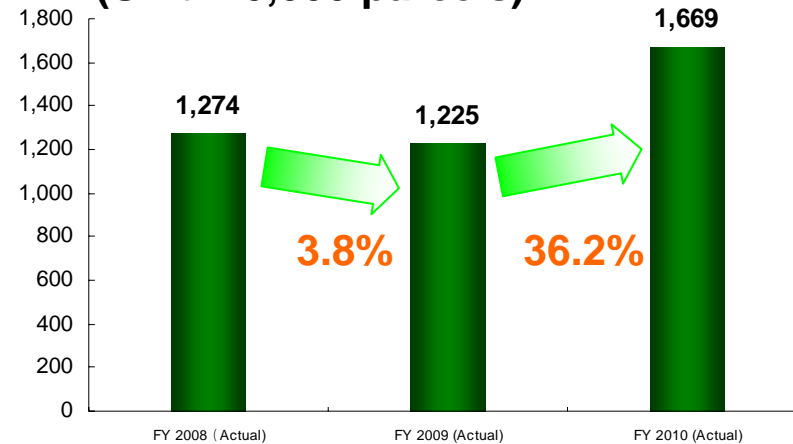
## Recovery of Takkyubin Small Lot Commercial



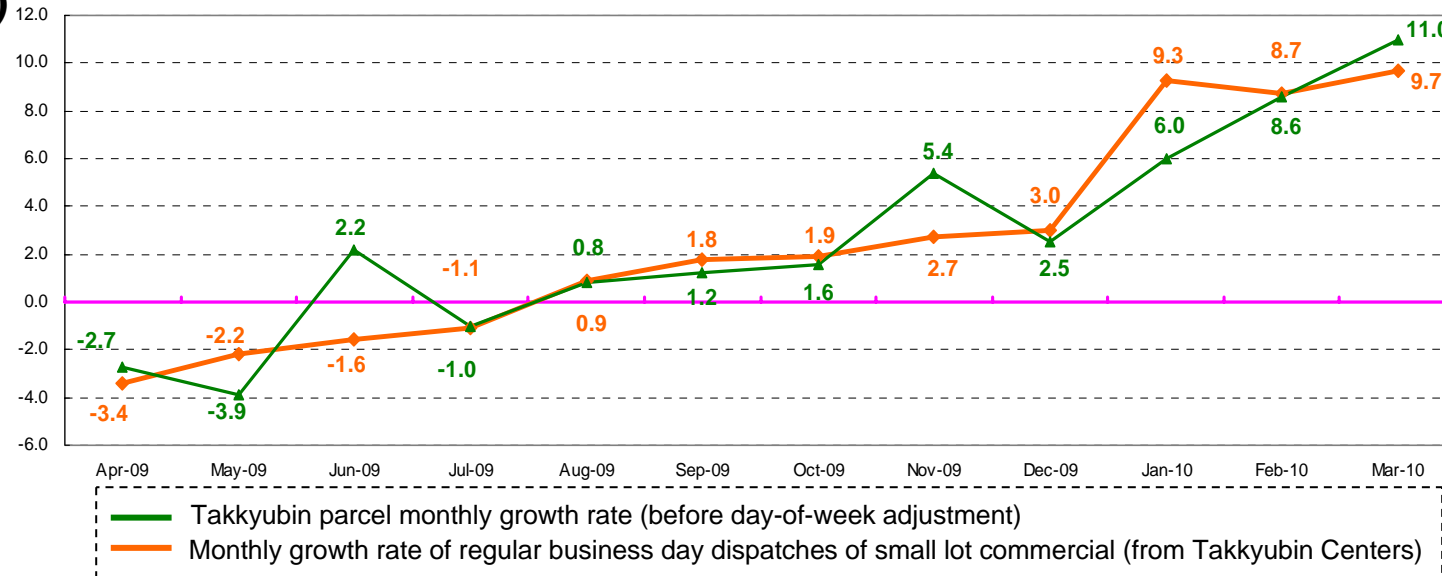
**New consignor companies  
(Unit: companies)**



**Shipments from  
new consignor companies  
(Unit: 10,000 parcels)**

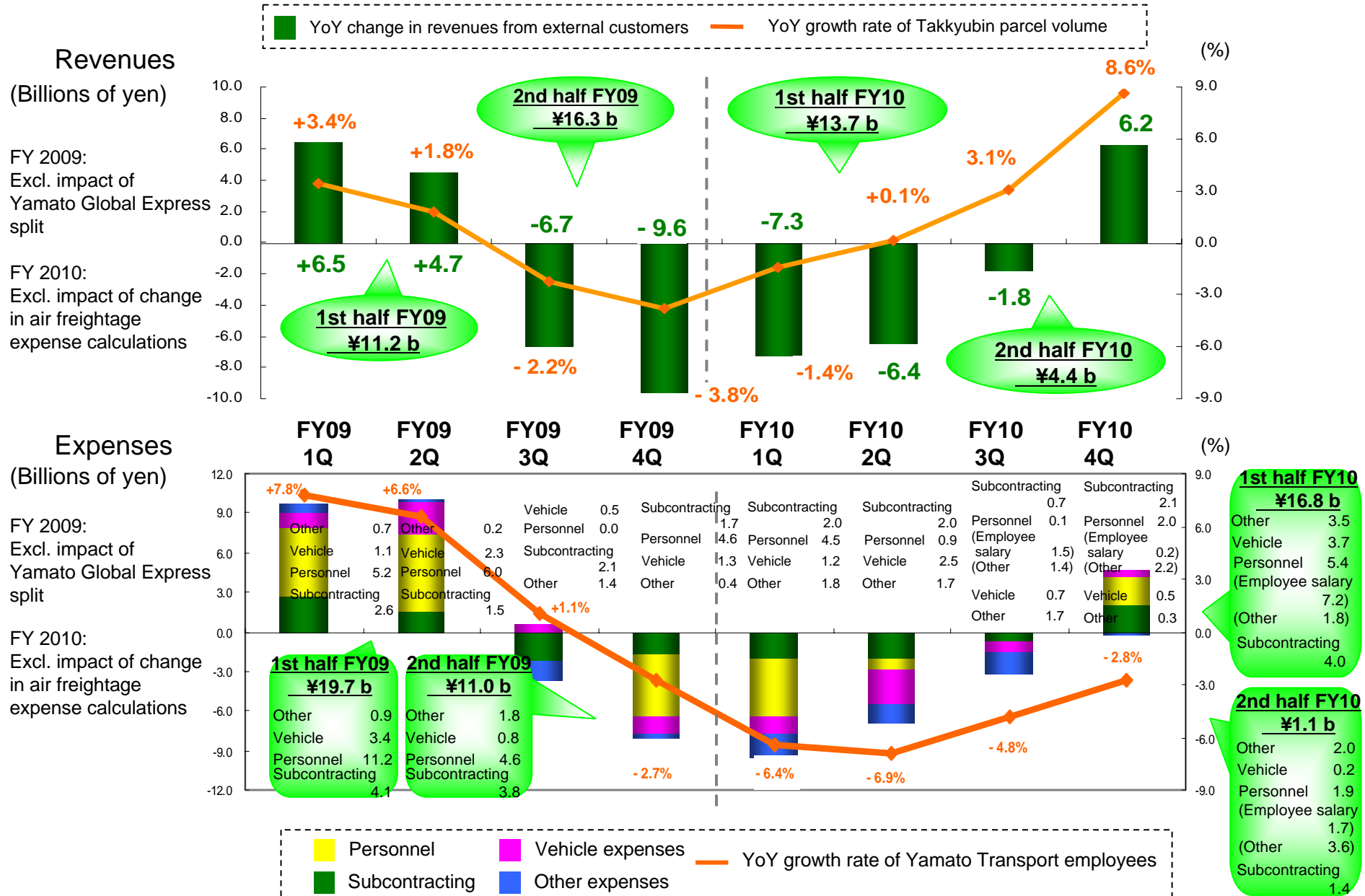


**Parcel Dispatches Monthly Growth Trends for Regular Business Days  
(Unit: %)**



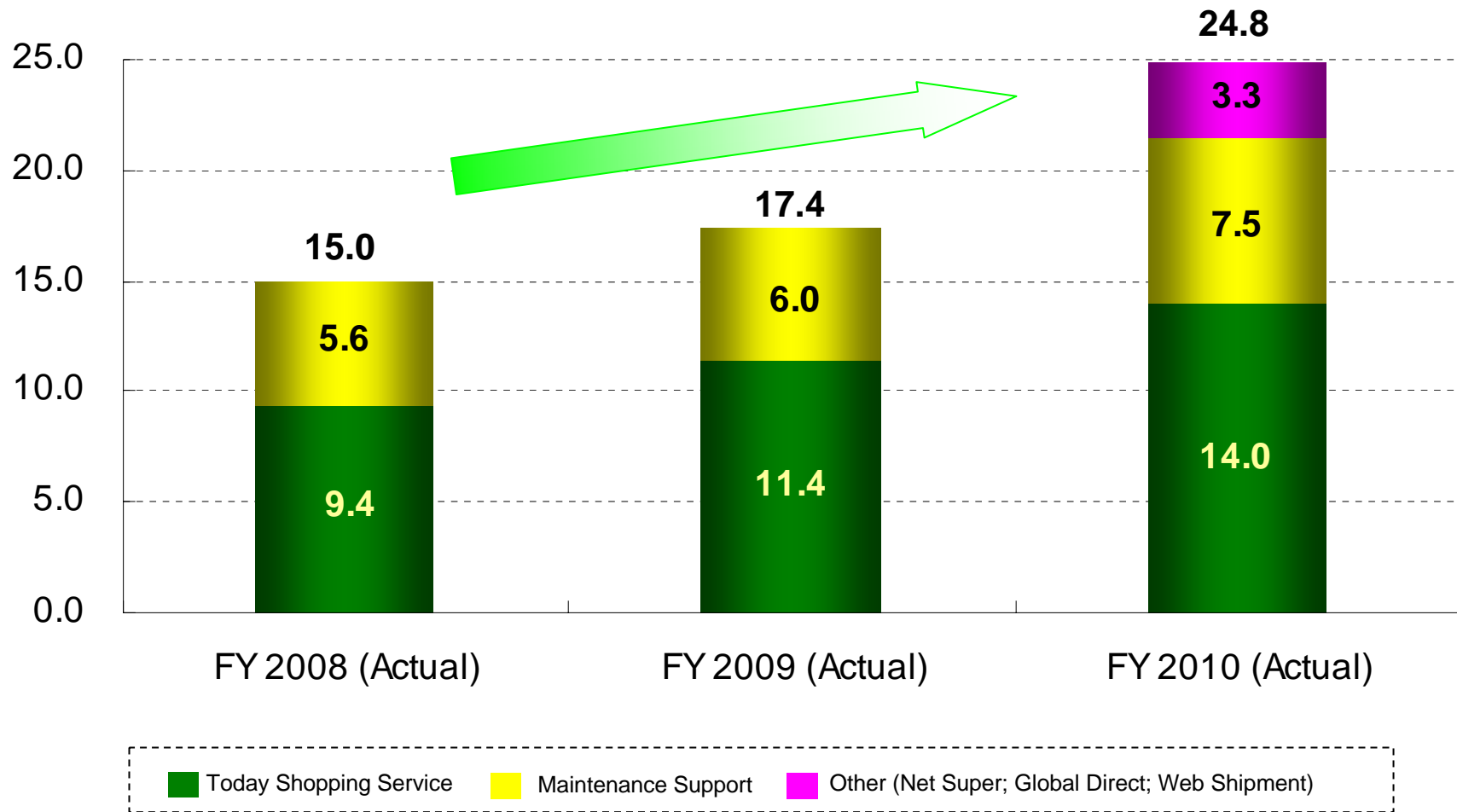
# 4. Delivery Business

## Quarterly YoY Analysis of Operating Revenues & Expenses



# 5. The 5 Solution Models

**Revenues from 5 solution models**  
(Billions of yen)



## 6. Forecasts of FY 2011 Operating Results (1)



(Millions of yen)

	FY 2011 (Forecast)	FY 2010 (Actual)	YoY Change	
			Amount	[%]
<b>Operating revenues</b>				
Delivery	988,000	966,480	21,519	2.2
BIZ-Logistics	81,000	78,927	2,072	2.6
Home Convenience	48,500	50,350	(1,850)	(3.7)
e-Business	34,000	32,093	1,906	5.9
Financial	55,000	52,658	2,341	4.4
Truck Maintenance	17,000	16,001	998	6.2
Other Business	4,500	4,321	178	4.1
Total	1,228,000	1,200,834	27,165	2.3
<b>Operating income</b>				
Delivery	40,000	38,070	1,929	5.1
BIZ-Logistics	3,200	2,656	543	20.4
Home Convenience	300	(701)	1,001	-
e-Business	6,200	6,016	183	3.1
Financial	10,000	10,260	(260)	(2.5)
Truck Maintenance	2,100	1,649	450	27.3
Other Business	18,700	18,633	66	0.4
Subtotal	80,500	76,585	3,914	5.1
Eliminations	(16,500)	(15,196)	(1,303)	-
Total	64,000	61,388	2,611	4.3
[Profit margin]	5.2%	5.1%	-	-
<b>Ordinary income</b>	66,000	63,313	2,686	4.2
[Profit margin]	5.4%	5.3%	-	-
<b>Net income</b>	34,000	32,282	1,717	5.3
[Profit margin]	2.8%	2.7%	-	-

# 7. Initiatives for FY 2011

## 1. Boost Takkyubin functions

### Overwhelming service quality

- Completion of deliveries before 10:00 AM
- Enhanced service for Kuroneko Members
- New and improved functions using the next-generation NEKO system

## 2. Develop new IT/LT/FT-based services and create market

### Solution-based approach for corporate clients

- Expansion of existing solution models
  - Further boost Today Shopping Service
  - Clarify needs of Net Supermarket business
  - Change Import Direct to Global Direct
  - Boost functions of Multi Maintenance business
  - Introduce the Web-based Shipment Control Service to various fields
- Steady creation and expansion of new solution models

## 3. Expand new markets

### Entry into major areas in Asia

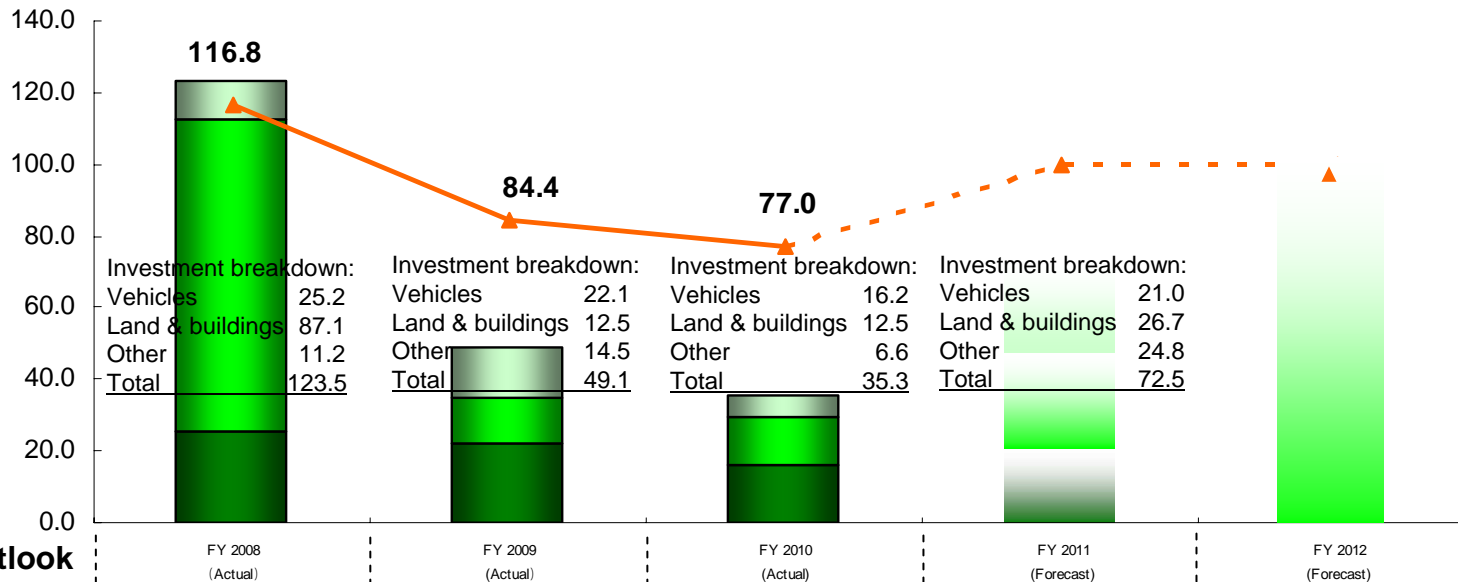
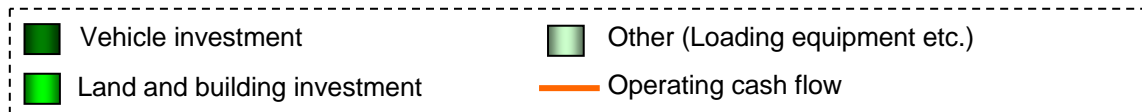
- Get Takkyubin business on right trajectory in Shanghai and Singapore following the January 2010 start

A steady expansion of areas is planned.
- Apply business models to Asia that have had proven growth record in Japan.

# 8. Capital Investment Plan

- Although there is variable effect from economic ups and downs, annual EBITDA of about ¥100.0 billion is being secured and our capacity to create cash flow is rock solid.
- An ordinary annual level for capital investment is believed to be ¥40.0 billion and we have the capacity to cover strategic investment projects that exceed this amount using own funds.
- No major changes have been made to capital policy and, with respect to shareholder returns, we are targeting a dividend payout ratio of 30% based on consolidated net income.

## Capital investment and operating cash flow (Billions of yen)



**Current outlook concerning Haneda facilities**

December 2007  
Purchase of land adjacent to Haneda

January 2011  
Scheduled construction start of Haneda facilities

Summer 2012  
Scheduled completion of Haneda facilities

## 9. YoY Analysis of Consolidated Operating Expenses

(Millions of yen)

	FY 2009			FY 2010 (Actual)	YoY Change	
	Actual	Impact of changes in accounting	Excl. impact of changes in accounting		Amount (adjusted)	[%] (adjusted)
Operating revenues	1,251,921	32,209	1,219,712	1,200,834	(18,878)	(1.5)
Operating expenses	1,196,200	32,209	1,163,991	1,139,445	(24,545)	(2.1)
Personnel expenses	621,115	0	621,115	621,188	72	0.0
Employee salary	439,606	0	439,606	433,156	(6,450)	(1.5)
Retirement benefit expenses	8,029	0	8,029	6,626	(1,402)	(17.5)
Other personnel expenses	173,479	0	173,479	181,405	7,926	4.6
Subcontracting expenses	490,940	32,058	458,882	446,737	(12,145)	(2.6)
Commission expenses	157,954	0	157,954	161,001	3,047	1.9
Vehicle hiring expenses	142,740	0	142,740	138,349	(4,390)	(3.1)
Other subcontracting expenses	190,246	32,058	158,188	147,386	(10,802)	(6.8)
Vehicle expenses	41,663	0	41,663	36,596	(5,067)	(12.2)
Fuel expenses	25,891	0	25,891	20,537	(5,354)	(20.7)
Other expenses	248,257	151	248,106	242,039	(6,066)	(2.4)
Depreciation	42,705	0	42,705	39,877	(2,827)	(6.6)
Elimination	(205,776)	0	(205,776)	(207,116)	(1,339)	0.7

# 10. YoY Analysis of Delivery Business Expenses

(Millions of yen)

	FY 2009			FY 2010 (Actual)	YoY Change	
	Actual	Impact of changes in accounting	Excl. impact of changes in accounting		Amount (adjusted)	[%] (adjusted)
Operating revenues	997,898	22,067	975,831	966,480	(9,350)	(1.0)
Operating expenses	966,775	22,067	944,707	928,409	(16,298)	(1.7)
Personnel expenses	529,968	0	529,968	526,470	(3,498)	(0.7)
Employee salary	372,056	0	372,056	363,114	(8,942)	(2.4)
Retirement benefit expenses	7,431	0	7,431	4,860	(2,570)	(34.6)
Other personnel expenses	150,480	0	150,480	158,495	8,014	5.3
Subcontracting expenses	293,560	21,916	271,644	269,015	(2,629)	(1.0)
Commission expenses	84,413	0	84,413	86,775	2,361	2.8
Vehicle hiring expenses	132,450	0	132,450	128,951	(3,499)	(2.6)
Other subcontracting expenses	76,696	21,916	54,780	53,288	(1,491)	(2.7)
Vehicle expenses	34,978	0	34,978	31,017	(3,960)	(11.3)
Fuel expenses	20,886	0	20,886	16,533	(4,353)	(20.8)
Other expenses	183,335	151	183,184	177,551	(5,632)	(3.1)
Depreciation	34,642	0	34,642	31,138	(3,504)	(10.1)
Elimination	(75,068)	0	(75,068)	(75,645)	(576)	0.8

# 11. Forecasts of FY 2011 Operating Results (2)



(Millions of yen)

	FY 2011 (Forecast)	FY 2010 (Actual)	YoY Change	
			Amount	[%]
Operating revenues	1,228,000	1,200,834	27,165	2.3
Operating expenses	1,164,000	1,139,445	24,554	2.2
Personnel expenses	636,500	621,188	15,311	2.5
Employee salary	439,000	433,156	5,843	1.3
Retirement benefit expenses	8,000	6,626	1,373	20.7
Other personnel expenses	189,500	181,405	8,094	4.5
Subcontracting expenses	458,000	446,737	11,262	2.5
Commission expenses	170,000	161,001	8,998	5.6
Vehicle hiring expenses	139,000	138,349	650	0.5
Other subcontracting expenses	149,000	147,386	1,613	1.1
Vehicle expenses	39,500	36,596	2,903	7.9
Fuel expenses	23,500	20,537	2,962	14.4
Other expenses	249,000	242,039	6,960	2.9
Depreciation	42,500	39,877	2,622	6.6
Elimination	(219,000)	(207,116)	(11,883)	5.7

## Assumptions of forecasts

### Operating Revenues

#### Delivery Business

- Takkyubin parcels (thousands; forecast)  
1,316,000 (YoY 4.2%)
- Takkyubin unit price (forecast)  
¥614 (YoY 1.6%)

### Personnel expenses (employee salary)

Employees (consolidated; forecast)  
 Total 174,100 ( 6,545)  
 Full-time 84,300 ( 1,905)  
 Part-time 89,800 ( 4,640)

### Personnel expenses (other personnel expenses)

Increase in legal welfare expenses due to legal changes (Raising of insurance rate etc.)

### Subcontracting (commission expenses)

Inter-locked with increase in revenues

### Subcontracting (vehicle hiring expenses)

Improvement in delivery and load efficiency (Delivery)

### Vehicle expenses (fuel expenses)

· West Texas Intermediate (WTI)  
1 barrel = U.S. \$87

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