

## Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2011 <under Japanese GAAP>

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 Listing: Tokyo Stock Exchange  
 Stock code: 9064  
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Scheduled date of the submission of quarterly securities report: August 11, 2010

Scheduled date of the commencement of dividend payment: —

Preparation of supplementary materials on quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes

(Amounts less than 1 million yen are discarded.)

### 1. Consolidated financial results for the first quarter of fiscal year 2011 (cumulative: from April 1, 2010 to June 30, 2010)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the three months ended								
June 30, 2010	284,770	2.1	4,175	(46.5)	4,657	(45.6)	941	(77.0)
June 30, 2009	278,942	(6.2)	7,811	48.8	8,566	46.0	4,089	260.2

	Net income per share		Net income per share - fully diluted	
	Yen		Yen	
For the three months ended				
June 30, 2010	2.07		—	
June 30, 2009	9.23		9.06	

#### (2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of								
June 30, 2010	889,513		516,212		57.0		1,118.04	
March 31, 2010	878,641		523,473		58.4		1,130.33	

(Reference) Equity: As of June 30, 2010: 507,331 million yen

As of March 31, 2010: 512,910 million yen

### 2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2010	—	11.00	—	11.00	22.00
Fiscal 2011	—	—	—	—	—
Fiscal 2011 (Forecast)	—	11.00	—	11.00	22.00

(Note) Revisions to the forecasts in the first quarter of fiscal 2011: None

### 3. Consolidated earnings forecasts for fiscal year 2011 (from April 1, 2010 to March 31, 2011)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year	594,000	2.3	23,500	2.8	24,500	2.2	12,000	3.4	26.45
Full year	1,228,000	2.3	64,000	4.3	66,000	4.2	34,000	5.3	74.93

(Note) Revisions to the forecasts in the first quarter of fiscal 2011: None

### 4. Others (For details, please refer to "Other Information" on page 6 of the attached materials)

(1) Changes in significant subsidiaries during the current quarter: None

Note: Changes in specified subsidiaries resulting in the change in scope of consolidation during the current quarter

(2) Application of simplified accounting and specific accounting: Yes

Note: Application of simplified accounting and specific accounting for preparing the quarterly consolidated financial statements

(3) Changes in accounting policies, procedures, and methods of presentation

a. Changes due to revision to accounting standards, etc.: Yes

b. Changes other than a.: None

Note: Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements described in the section of "Summary of changes in accounting policies, procedures, and methods of presentation"

(4) Number of issued shares (common stock)

a. Number of issued shares as of the end of the period (including treasury stock)

As of June 30, 2010	468,052,892 shares
As of March 31, 2010	468,052,892 shares

b. Number of treasury shares as of the end of the period

As of June 30, 2010	14,283,532 shares
As of March 31, 2010	14,282,503 shares

c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the three months ended June 30, 2010	453,769,564 shares
For the three months ended June 30, 2009	443,078,475 shares

#### \*Indication regarding execution of quarterly review procedures

At the time of disclosure of this quarterly financial results report, the quarterly review procedures in accordance with the Financial Instruments and Exchange Law are incomplete.

#### \*Proper use of earnings forecasts and other noteworthy events

Descriptions of the above financial projections and other data are based on information currently available to the Company and certain assumptions that we consider to be reasonable. Actual financial results may differ significantly from the projections for various reasons. For points to note when using such conditions and financial projections, please see "Qualitative information on consolidated earnings forecasts" of the attached materials to the quarterly financial results report on page 6.

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## 1. Qualitative Information on Consolidated Results for the Three Months

### (1) Qualitative information on consolidated operating results

The Yamato Group is expanding its Delivery Business, which centers on the Takkyubin service, while creating new value to make the lives of customers more convenient by combining management resources including information technology (IT), logistics technology (LT), and financial technology (FT) functions, and is working to achieve the sustainable growth of the entire Group.

In terms of the business environment during the three months ended June 30, 2010, although there were signs of economic recovery mainly in Asia and despite growth in the mail-order market, the environment continued to be difficult as a result of rising frugality among consumers, a continuing trend of deflation and other factors.

Operating in this environment, the Yamato Group sought to meet the needs of customers by putting efforts into raising the level of sophistication of the Takkyubin service, and developing and cultivating high value-added services that are differentiators from competitors.

The Delivery Business benefitted from a gradual recovery in demand from existing customers and from proposal-type marketing that took the perspective of the end-user consumer. Although the resulting increase in the delivery volumes of major corporate clients led to a lowering of the unit price, the delivery volumes for both the Takkyubin and Kuroneko Mail services rose against the year-ago period. Meanwhile, to ensure our delivery quality is maintained and improved, the Group pushed forward with new initiatives to ready ourselves for future volume increases of Takkyubin and conducted advanced recruitment of new employees. As a result, although a decreased profit was posted for the three months ended June 30, 2010, our new initiatives have yielded improved delivery quality, while at the same time, constrained pickup and delivery costs.

With respect to the non-delivery businesses, the Group, aiming to improve management efficiency of customers, energetically deployed Yamato Group's unique business model for achieving cost reductions and better business efficiency. As a result, BIZ-Logistics Business and e-Business in particular expanded revenues by capturing new customers and fared strongly.

As a result of the above, our consolidated financial results for the three months ended June 30, 2010 were as follows.

(Millions of yen)

Item	For the three months ended June 30, 2009	For the three months ended June 30, 2010	Change	Growth (%)
Operating revenue	278,942	284,770	5,827	2.1
Operating income	7,811	4,175	(3,636)	(46.5)
Ordinary income	8,566	4,657	(3,908)	(45.6)
Net income	4,089	941	(3,148)	(77.0)

### Status of management measures

- a. Based on the medium-term management plan "Create Satisfaction Three-Year Plan" that started from April 2008, the Yamato Group is moving forward with the development of innovative logistics systems in the Japanese market and the expansion of the business area to the Asia region. In the fiscal year under review, the plan's final year, the Group, while widely promoting the business models developed up until the previous fiscal year, will work on the establishment of the Takkyubin service in the Asia region.
- b. Inside the Japanese market, the Group, aiming to further grow the business models already released in Japan, shall work to extend functions and organize business offices to accelerate the speed of business evolution. The Group shall continue in the future to offer convenience to both sender and receivers of parcels by creating business models that utilize the Yamato Group's unique functions and by expanding the market of these business models.
- c. Aiming to expand the business area to the Asia region, the Yamato Group has expanded the network in Shanghai and Singapore, where Takkyubin service have started, and it has energetically engaged in sales activities in these cities. As a result, our customer pool, which includes not only Japanese companies but also local companies, is steadily starting to use the Takkyubin service.

The followings are summaries of each operating segment.

● **Delivery**

The delivery volumes of Takkyubin and Kuroneko Mail services are as follows.

(Million parcels / units)				
Category	For the three months ended June 30, 2009	For the three months ended June 30, 2010	Change	Growth (%)
Takkyubin	283	299	16	5.8
Kuroneko Mail	557	578	20	3.7

- a. In the Takkyubin service, driven by the basic corporate philosophy of "Total Reliability," the Yamato Group works on business evolution to make the lives of customers more convenient by utilizing its management resources.
- b. For individual customers, we offered "Takkyubin Recipient Designation," a service to our membership service "Kuroneko Members," that allows the customer to change the date of delivery, time zone and location details of a Takkyubin order. This service recognizes the trend of highly diversifying lifestyles of customers and aims to further reduce possible stress when receiving parcels. Also, in some regions, we installed the "Neko Pitto" information terminal for Kuroneko Members at locations in close proximity to customers such as at retirement homes and condominiums. This is but another way in which the Group has made it more convenient to use services such as net supermarket.
- c. For corporate clients, we actively proposed various business models that utilize the management resources inside the Group to meet such needs as sales expansion or cost reduction. As a result, Takkyubin delivery volumes for the three months ended June 30, 2010 were higher than the year-ago period.
- d. In the Kuroneko Mail service, solid performances were achieved for both delivery volumes and operating revenue as a result of expanding various value-added services particularly for corporate clients. Such services included the "Kuroneko Mail Express Service," software for preparing address labels, and enclosing and sealing of printed materials.
- e. In the Takkyubin service in the city of Shanghai and the country of Singapore, we worked on establishing our network and recruiting and training employees and other such activities to put in place the business infrastructure required to provide the same sophistication of delivery services as in Japan such as "Time Designated Delivery" and "Cool Takkyubin."
- f. In "Worldwide Delivery Service," which links multiple countries, we aimed to make it possible to use the service with even greater convenience. While carrying out renewal activities in Japan and Taiwan, the handling of the service was newly started in Singapore. On the road ahead, by, for example, developing similar services in Shanghai, we shall boost the convenience of this service by achieving international intermodal transportation by linking the major countries and cities in Asia with sophisticated delivery services under the Kuroneko brand.
- g. Operating revenue amounted to 225,072 million yen, up 1.5% from the year-ago period due to the increase in Takkyubin delivery volumes, mainly for major corporate clients. However, due to the effect of increases in personnel and subcontracting expenses as part of efforts to improve delivery quality, the Delivery Business posted an operating loss of 1,384 million yen.

● **BIZ-Logistics**

- a. In the BIZ-Logistics Business, the Yamato Group is engaged in business evolution to provide customers with innovative logistics systems by combining management resources such as the Takkyubin network and the logistics know-how accumulated in the Group.
- b. In the trade logistics service business, we provide a wide range of services including air and ocean transportation, packaging and customs clearance to meet various needs of customers. For example, in the "Global Direct" intermodal transportation service that is interlinked with the Takkyubin network, by eliminating the need for domestic distribution centers to handle the acceptance of imports, we are contributing to improving the logistics efficiency of customers through reducing costs, shortening lead times and reducing inventory. During the three months ended June 30, 2010, the volume of freight handled increased compared with the year-ago period as a result of the gradual trend of recovery in the global economy.

- c. In the sales & logistics service business, we provide logistics systems that make using mail-order shopping even more convenient by combining the merits of mail-order shopping, namely, that you can purchase products cheaply and that you can vastly reduce the time necessary to find products, with the extra merit of being able to receive the product quickly. During the three months ended June 30, 2010, we newly established dedicated distribution centers in Sapporo City and Amagasaki City specifically for "Today Shopping Service," a service that delivers a product as fast as eight hours and as fast as four hours for designated areas, to further accelerate the business evolution.
- d. In the multi maintenance business, we provide to manufacturing companies a service to return repaired digital appliances in three days at the earliest and a service to comprehensively support recalls of defective products. In the three months ended June 30, 2010, revenue expanded from the increased volume of repair goods handled, which caused this business to grow steadily.
- e. Operating revenue was up 11.8% from the year-ago period to 21,240 million yen as a result of an increase in the volume of freight handled in the trade logistics service business and the increase in volume of repair goods handled in the multi maintenance business. Operating income was 990 million yen, up 133.1% from 424 million yen in the year-ago period.

#### ● Home Convenience

- a. In the Home Convenience Business, by utilizing the network made up of the management resources of the Yamato Group, we have been developing high value-added services and providing customers with convenient and comfortable living.
- b. In the moving solutions business, we actively expanded sales of the "Just Moving Service for Singles" to meet the needs of corporate clients, namely, cost reductions and just-in-time moving. At the same time, to ensure no inconvenience is caused when moving a single individual, we strove to divide moving up into multiple trips and provide rental services for furniture and electronic appliances. As a result, even while the moving market was in a slump, we increased orders from corporate clients for our moving service for singles compared with the previous year.
- c. In the delivery with installation business, we are providing a service that includes performing the complicated assembly and installation tasks required when furniture and electronic appliances are delivered. This service satisfies the needs of consumers who want to use the furniture or electronic appliances as soon as they are delivered. During the three months ended June 30, 2010, we energetically set about training personnel and integrating these operations with the moving business, and we laid the foundations for increasing revenues in the future.
- d. Operating revenue amounted to 11,931 million yen, down 7.8% from the year-ago period affected by the weakened moving market. Operating expenses fell 4.3% from the year-ago period due mainly to a reduction of subcontracting expenses as a result of discontinuing the outsourcing of various operations; however, this failed to offset the decreased operating revenue. Consequently, we posted an operating loss of 500 million yen in this business.

#### ● e-Business

- a. In the e-Business, the Yamato Group helps customers streamline their business processes and solve potential issues by combining information technology, logistics technology, and financial technology functions to proactively propose solutions to help expand sales and reduce costs.
- b. In the e-logistic tracing solution business we worked to expand our sales of our "SCM Tracing Service," which leverages the freight-tracking know-how cultivated in the Takkyubin service to help corporate clients optimize their inventory by providing operational support in the forms of asset management, which is the capability of knowing which products are in which location, and risk management, which is knowing the expiry dates for the respective products. During the three months ended June 30, 2010, the business grew with sales of this service expanded particularly to cable TV companies and medical device manufacturers.
- c. In the Web-based mail order solution business, we helped our customers to reduce initial costs and get operations up and running in a short time period by proposing package software best suited to the respective client's needs and providing ASP services. For example, we contributed to boosting the revenues of customers running multiple stores by proposing services that achieved visualization and optimization of overall inventory and improved delivery efficiency by delivering products from the closest store.
- d. In the **Web-based on-demand solutions business**, we promoted our "Promoted Item On-Demand Service"

that incorporates the functions of information technology, warehouse, printing and delivery to meet the needs of customers who, for example, want to reduce waste in promoted items or improve efficiency in the management of promoted items. By proposing the convenience of being able to receive promoted items and pamphlets at the required time and place, we expanded sales for this service, particularly to pharmaceutical companies and insurance companies.

- e. Operating revenue was up 4.0% from the year-ago period to 7,832 million yen as a result of an expansion of services related to tracing and web-based mail-order. Operating income was 1,406 million yen, up 35.3% from the year-ago period.

#### ● Financial

- a. 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.
- b. In the Takkyubin Collect business, payment by electronic money upon delivery of Takkyubin Collect was started in response to the rapid increase in the number of electronic money settlements being used. This service was well received not only for its convenience for consumers but also for its contribution to boosting the sales capability of mail-order companies by expanding the means of settlement, and as a result, this business grew.
- c. In the lease business, we offered management support services to logistics related companies, mainly consisting of leasing and sales of vehicles. During the three months ended June 30, 2010, our efforts to strength our sales capability such as by conducting website renewal of our used vehicle sales site led to a growth in revenues.
- d. Operating revenue was down 3.6% from the year-ago period to 12,722 million yen due to the impact of the market contraction of the shopping credit business, despite a steady growth in a number of payment settlement transactions of the Takkyubin Collect service. Operating income was 2,530 million yen, down 10.5% from the year-ago period.

#### ● Truck Maintenance

- a. In the Truck Maintenance Business, the Yamato Group, through leveraging the technology that has been surely developed from the servicing and maintenance operations of Yamato Group vehicles as a management resource, is able to help customers who use trucks, buses and other vehicles in their operations to improve convenience, comply with statutory vehicle inspections, and reduce costs.
- b. Based on this policy, we promote our "Off-Time Vehicle Inspection," whereby vehicle inspections are conducted in the hours that are convenient to the customer. Moreover, during the three months ended June 30, 2010, we improved customer convenience by launching a new vehicle management service "**12-Month Fixed-Price Maintenance Package**," which provides vehicle management information and provides service maintenance and regulatory inspection maintenance as a set annual package fee to meet the needs of customers who want to stabilize monthly vehicle maintenance expenses.
- c. Operating revenue amounted to 4,902 million yen, up 35.3% from the year-ago period due to an increase in the number of vehicles serviced. Operating income was 656 million yen, up 4.4% from the year-ago period.

#### ● Other

- a. The "JITBOX Charter service" is a service that provides transportation by transport box. The service takes advantage of its Group network consisting of 16 companies and is designed to meet the business-to-business needs of just-in-time and frequent, right-volume delivery. During the three months ended June 30, 2010, operating revenue rose compared with the year-ago period due to a recovery in shipment movements by companies.
- b. Operating income in other businesses excluding dividends which Yamato Holdings Co., Ltd. received from Group companies decreased 85.3% from the year-ago period to 92 million yen.

## (2) Qualitative information on consolidated financial position

Total assets were 889,513 million yen as of June 30, 2010, up 10,872 million yen from the end of the previous fiscal year. This increase was attributable primarily to a rise of 5,669 million yen in lease assets mainly due to the acquisition of new mobile terminals for pickup and delivery to support electronic money settlement functionality.

Liabilities increased 18,132 million yen to 373,300 million yen from the end of the previous fiscal year. Major factors behind this increase included an increase in accrued expenses of 41,787 million yen due to the reporting of scheduled payments of summer bonuses on one hand and the decrease in provision for bonuses of 17,519 million yen.

Total net assets were 516,212 million yen, down 7,260 million yen from the end of the previous fiscal year. This was primarily because of a decline in retained earnings of 4,113 million yen due in part to the payment of 4,991 million yen for appropriation from surplus.

Accordingly, the equity ratio changed to 57.0% from the previous fiscal year's 58.4%.

Net cash provided by operating activities for the three months ended June 30, 2010 amounted to 14,622 million yen, which is a decrease of 5,737 million yen compared with the year-ago period. One major factor was 3,068 million yen in income before income taxes and minority interests, which is a decrease of 5,399 million yen compared with the year-ago period.

Net cash used in investing activities was 11,786 million yen, which is an increase of 2,063 million yen compared with the year-ago period. One major factor was 3,416 million yen in purchase of investment securities, which is an increase of 3,414 million yen compared with the year-ago period.

Net cash used in financing activities was 6,141 million yen, which is a decrease of 1,959 million yen compared with the year-ago period. One major factor was a decrease in loans payable of 486 million yen, which is a decrease of 2,010 million yen compared with the year-ago period.

As a result of the above, cash and cash equivalents were 189,951 million yen as of June 30, 2010, up 600 million yen from the end of the previous fiscal year.

## (3) Qualitative information on consolidated earnings forecasts

In terms of the future business environment, although the economy is showing a mood of gradual recovery, we expect the economic situation to remain uncertain due to the ongoing concern that the employment situation may deteriorate among other factors.

Facing these circumstances, the Yamato Group's focus in the domestic market will be to further raise Takkyubin quality while promoting "Strategies for Kuroneko Members" and developing innovative logistics services.

Overseas, by aggressively promoting our domestic business models in various Asian countries, we shall establish a globally competitive presence and build a firm management base.

There has been no change to the consolidated earnings forecasts for the fiscal year 2011 since the last announcement on April 28, 2010.

## 2. Other Information

### (1) Summary of changes in significant subsidiaries

Not applicable.

### (2) Summary of simplified accounting and specific accounting

Calculation of tax expenses

Tax expenses are calculated by multiplying the income before income taxes by the reasonably estimated effective tax rates after the application of tax effect accounting to the income before income taxes for the fiscal year including the first quarter under review. Please note that "income taxes-deferred" is included in "income taxes" in the statements.

### (3) Summary of changes in accounting policies, procedures, and methods of presentation

Changes to accounting policies

Effective from the first quarter under review, the Company has adopted the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008).

Such change affects the consolidated statements of income in the following way: Operating expenses have been increased by 59 million yen, and as a result, operating income and ordinary income have each been

reduced by the same amount. Also, as a result of recognizing extraordinary loss of 1,642 million yen, income before income taxes and minority interests has been reduced by 1,701 million yen. Such change has had a minor effect on consolidated balance sheets.

### 3. Consolidated Financial Statements

#### (1) Consolidated balance sheets

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010 (Summary)
<b>Assets</b>		
Current assets		
Cash and deposits	190,735	189,657
Notes and accounts receivable-trade	144,873	145,894
Accounts receivable-installment	50,734	52,945
Lease investment assets	16,768	17,362
Merchandise and finished goods	806	889
Work in process	998	778
Raw materials and supplies	1,263	843
Other	47,506	39,520
Allowance for doubtful accounts	(4,262)	(4,692)
Total current assets	449,423	443,199
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	267,094	263,632
Accumulated depreciation	(148,855)	(145,985)
Buildings and structures, net	118,238	117,647
Vehicles	181,708	178,961
Accumulated depreciation	(163,464)	(163,054)
Vehicles, net	18,244	15,906
Land	182,461	181,480
Lease assets	22,239	16,839
Accumulated depreciation	(6,357)	(6,626)
Lease assets, net	15,882	10,212
Other	111,045	108,912
Accumulated depreciation	(81,516)	(78,966)
Other, net	29,529	29,945
Total property, plant and equipment	364,355	355,192
Intangible assets		
Goodwill	971	—
Other	12,029	11,744
Total intangible assets	13,001	11,744
Investments and other assets		
Investment securities	20,738	26,536
Other	44,489	44,379
Allowance for doubtful accounts	(2,095)	(2,014)
Allowance for investment loss	(406)	(406)
Total investments and other assets	62,727	68,495
Total noncurrent assets	440,083	435,432
Deferred assets		
Bond issuance cost	5	9
Total deferred assets	5	9
Total assets	889,513	878,641

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010 (Summary)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	108,024	113,888
Short-term loans payable	29,861	26,854
Current portion of bonds	5,000	5,000
Lease obligations	4,617	3,535
Income taxes payable	4,002	18,694
Deferred installment income	7,969	8,644
Provision for bonuses	11,630	29,149
Other	117,760	71,542
Total current liabilities	<u>288,867</u>	<u>277,309</u>
Noncurrent liabilities		
Long-term loans payable	37,342	39,139
Lease obligations	11,707	7,069
Provision for retirement benefits	28,163	27,862
Provision for directors' and auditors' retirement benefits	7	7
Other	7,213	3,779
Total noncurrent liabilities	<u>84,433</u>	<u>77,858</u>
Total liabilities	<u>373,300</u>	<u>355,167</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	127,234	127,234
Capital surplus	121,315	121,315
Retained earnings	284,294	288,408
Treasury stock	(26,507)	(26,505)
Total shareholders' equity	<u>506,337</u>	<u>510,452</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,672	3,196
Foreign currency translation adjustment	(678)	(738)
Total valuation and translation adjustments	<u>994</u>	<u>2,457</u>
Minority interests	8,880	10,562
Total net assets	<u>516,212</u>	<u>523,473</u>
Total liabilities and net assets	<u>889,513</u>	<u>878,641</u>

**(2) Consolidated statements of income (cumulative)**

(Millions of yen)

	For the three months ended June 30, 2009	For the three months ended June 30, 2010
Operating revenue	278,942	284,770
Operating cost	264,630	273,557
Operating gross profit	14,312	11,212
Selling, general and administrative expenses	6,501	7,037
Operating income	7,811	4,175
Non-operating income		
Interest income	36	20
Dividends income	261	255
Subsidies for low-emission vehicles	450	102
Other	509	485
Total non-operating income	1,257	864
Non-operating expenses		
Interest expenses	221	210
Other	280	171
Total non-operating expenses	502	382
Ordinary income	8,566	4,657
Extraordinary income		
Gain on sales of noncurrent assets	47	—
Compensation for removal	36	—
Reversal of allowance for doubtful accounts	—	120
Total extraordinary income	83	120
Extraordinary loss		
Loss on retirement of noncurrent assets	93	51
Loss on valuation of investment securities	88	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	1,642
Other	—	15
Total extraordinary losses	181	1,709
Income before income taxes and minority interests	8,467	3,068
Income taxes	4,233	2,099
Income before minority interests	—	969
Minority interests in income	144	27
Net income	4,089	941

### (3) Consolidated statements of cash flows

(Millions of yen)

	For the three months ended June 30, 2009	For the three months ended June 30, 2010
Cash flows from operating activities		
Income before income taxes and minority interests	8,467	3,068
Depreciation and amortization	9,135	8,634
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	1,642
Increase (decrease) in provision for retirement benefits	(152)	299
Increase (decrease) in provision for bonuses	(14,939)	(17,513)
Loss (gain) on valuation of investment securities	88	3
Decrease (increase) in notes and accounts receivable-trade	1,718	2,906
Increase (decrease) in notes and accounts payable-trade	(5,423)	(6,046)
Increase (decrease) in accrued expenses	38,229	41,737
Other	2,524	207
Subtotal	39,648	34,939
Interest and dividends income received	294	275
Interest expenses paid	(343)	(341)
Income taxes paid	(19,238)	(20,250)
Net cash provided by (used in) operating activities	20,360	14,622
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,567)	(7,670)
Proceeds from sales of property, plant and equipment	77	81
Purchase of investment securities	(2)	(3,416)
Payments of loans receivable	(207)	(251)
Collection of loans receivable	341	312
Other payments	(1,116)	(1,522)
Other proceeds	752	680
Net cash provided by (used in) investing activities	(9,722)	(11,786)
Cash flows from financing activities		
Increase in short-term loans payable	21,000	37,888
Decrease in short-term loans payable	(21,700)	(36,577)
Repayments of finance lease obligations	(1,110)	(1,266)
Repayment of long-term loans payable	(1,797)	(1,797)
Purchase of treasury stock	(24)	(1)
Cash dividends paid	(4,376)	(4,521)
Other	(92)	133
Net cash provided by (used in) financial activities	(8,101)	(6,141)
Effect of exchange rate change on cash and cash equivalents	106	64
Net increase (decrease) in cash and cash equivalents	2,643	(3,240)
Cash and cash equivalents at beginning of period	174,502	189,351
Increase in cash and cash equivalents from newly consolidated subsidiary	62	3,853
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(16)	(13)
Cash and cash equivalents at end of period	177,191	189,951

(4) Notes to premise of going concern

Not applicable.

(5) Segment information

[Segment information by business]

For the three months ended June 30, 2009

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Operating revenue					
(1) Operating revenue from customers	221,726	18,997	12,937	7,532	13,193
(2) Inter-segment operating revenue or transfers	10,982	2,707	3,368	4,957	1,022
Total	232,709	21,704	16,305	12,490	14,215
Operating expenses	230,783	21,279	16,470	11,451	11,389
Operating income (loss)	1,925	424	(164)	1,039	2,826

	Truck Maintenance	Other	Total	Eliminations or corporate	Consolidated
Operating revenue					
(1) Operating revenue from customers	3,623	931	278,942	—	278,942
(2) Inter-segment operating revenue or transfers	5,786	24,010	52,835	(52,835)	—
Total	9,409	24,942	331,778	(52,835)	278,942
Operating expenses	8,781	7,596	307,752	(36,621)	271,131
Operating income (loss)	628	17,346	24,025	(16,214)	7,811

[Segment information by geographical area]

For the three months ended June 30, 2009

(Millions of yen)

	Japan	U.S.A.	Europe	Asia	Total	Eliminations or corporate	Consolidated
Operating revenue							
(1) Operating revenue from customers	275,295	2,006	597	1,043	278,942	—	278,942
(2) Inter-segment operating revenue or transfers	1,034	819	329	542	2,726	(2,726)	—
Total	276,329	2,826	926	1,586	281,669	(2,726)	278,942
Operating expenses	268,271	2,784	988	1,716	273,760	(2,628)	271,131
Operating income (loss)	8,058	42	(62)	(129)	7,908	(97)	7,811

[Overseas operating revenue]

For the three months ended June 30, 2009

(Millions of yen)

	North America	Other regions	Total
I. Overseas operating revenue	2,016	1,887	3,903
II. Consolidated operating revenue			278,942
III. Ratio of overseas operating revenue to consolidated operating revenue (%)	0.7	0.7	1.4

Notes: 1. Method of grouping countries or regions, and major countries or regions belonging to groups

(1) Method of grouping countries or regions: Grouped according to geographical proximity.

(2) Major countries or regions belonging to groups

North America: U.S.A.

Other regions: The Netherlands, U.K., France, Hong Kong, Taiwan, Singapore, Guangzhou and Shanghai

2. Overseas operating revenue refers to operating revenue of the Company and consolidated subsidiaries that were generated in countries or regions outside of Japan.

[Segment information]

1. Summary of reportable segment

The reportable segments of the Company are constituent units of the Company whose separate financial information can be obtained. The Board of Directors periodically examines these segments to decide on the allocation of management resources and evaluate business performance.

The Yamato Group consists of six business segments under the umbrella of the Company, a pure holding company, and these business segments have been formed according to business activity. Business management is conducted based on this business segment.

Accordingly, based on this business segment, the Company has the following six reportable segments: Delivery Business, BIZ-Logistics Business, Home Convenience Business, e-Business, Financial Business, and Truck Maintenance Business.

Type of services by reportable segment

Reportable segment	Type of services
Delivery	Small parcel delivery services for consumers and corporations
BIZ-Logistics	Business-to-business distribution
Home Convenience	Moving and other lifestyle support services for consumers
e-Business	Information services for corporations, such as ASP services and development of information systems
Financial	Financial services for consumers and corporations, such as settlement
Truck Maintenance	Collective vehicle management agent business for transportation companies

2. Information regarding amounts of operating revenue and income or loss by reportable segment

For the three months ended June 30, 2010

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Operating revenue					
(1) Operating revenue from customers	225,072	21,240	11,931	7,832	12,722
(2) Inter-segment operating revenue or transfers	11,600	2,910	3,326	5,688	1,140
Total	236,672	24,150	15,258	13,520	13,863
Segment income (loss)	(1,384)	990	(500)	1,406	2,530

	Truck Maintenance	Other (Notes 1, 2)	Total	Reconciliation (Note 3)	Amount recorded in consolidated statements of income (Note 4)
Operating revenue					
(1) Operating revenue from customers	4,902	1,068	284,770	—	284,770
(2) Inter-segment operating revenue or transfers	6,200	26,856	57,724	(57,724)	—
Total	11,102	27,925	342,494	(57,724)	284,770
Segment income (loss)	656	19,070	22,768	(18,593)	4,175

- Notes: 1. Other includes business-to-business distribution via JITBOX Charter, staffing services and shared services.  
2. Operating revenue in Other includes dividends which the Company received from Group companies as a pure holding company and the effect of this on operating revenue and segment income is 18,712 million yen.  
3. The adjustment of segment income is the elimination of inter-segment transfers.  
4. The segment income is the amount after certain adjustments have been made to operating income recorded in the consolidated statements of income.

(Additional information)

Effective from the first quarter under review, the Company has adopted the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, March 27, 2009) and the "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, March 21, 2008).

**(6) Notes on significant changes in the amount of shareholders' equity**

Not applicable.

## 4. Supplementary Information

### Operating revenue by business

Business segment		For the three months ended June 30, 2009		For the three months ended June 30, 2010		Change (%)	Fiscal 2010	
		Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)		Amount (Millions of yen)	Ratio (%)
Delivery	Takkyubin	178,558	64.0	181,641	63.8	1.7	787,768	65.6
	Kuroneko Mail	36,523	13.1	37,317	13.1	2.2	147,104	12.2
	Express	11,435	4.1	11,054	3.9	(3.3)	47,547	4.0
	Others	13,858	5.0	14,047	4.9	1.4	60,098	5.0
	Eliminations	(18,648)	(6.7)	(18,989)	(6.7)	1.8	(76,038)	(6.3)
	Total	221,726	79.5	225,072	79.0	1.5	966,480	80.5
BIZ-Logistics	Trading logistics service	8,043	2.9	9,203	3.2	14.4	35,943	3.0
	Sales & logistics service	6,882	2.5	7,042	2.5	2.3	26,368	2.2
	Multi maintenance	1,413	0.5	2,832	1.0	100.5	7,521	0.6
	Export Factory	732	0.2	973	0.3	32.9	3,328	0.3
	Others	8,123	2.9	8,153	2.9	0.4	31,825	2.7
	Eliminations	(6,197)	(2.2)	(6,965)	(2.4)	12.4	(26,059)	(2.2)
	Total	18,997	6.8	21,240	7.5	11.8	78,927	6.6
Home Convenience	Delivery with installation	5,078	1.8	4,961	1.7	(2.3)	20,754	1.7
	Moving solution	7,384	2.7	6,687	2.4	(9.4)	27,629	2.3
	Merchandise distribution	3,849	1.4	3,614	1.3	(6.1)	17,617	1.5
	Eliminations	(3,375)	(1.2)	(3,332)	(1.2)	(1.3)	(15,650)	(1.3)
	Total	12,937	4.7	11,931	4.2	(7.8)	50,350	4.2
e-Business	e-logistic tracing solution	2,604	0.9	2,986	1.0	14.7	11,235	1.0
	Credit card solution	1,598	0.6	1,656	0.6	3.6	6,422	0.5
	IT operating solution	1,107	0.4	1,102	0.4	(0.4)	4,318	0.4
	Web-based mail order solution	1,422	0.5	1,626	0.6	14.3	6,420	0.5
	Others	6,549	2.4	7,420	2.6	13.3	28,770	2.4
	Eliminations	(5,748)	(2.1)	(6,959)	(2.5)	21.1	(25,074)	(2.1)
	Total	7,532	2.7	7,832	2.7	4.0	32,093	2.7
Financial	Takkyubin Collect	8,054	2.9	8,228	2.9	2.1	32,905	2.7
	Lease	4,173	1.5	4,012	1.4	(3.9)	16,308	1.4
	Shopping credit	1,835	0.6	1,396	0.5	(23.9)	6,688	0.6
	Others	171	0.1	245	0.1	43.3	1,122	0.1
	Eliminations	(1,042)	(0.4)	(1,160)	(0.4)	11.3	(4,366)	(0.4)
	Total	13,193	4.7	12,722	4.5	(3.6)	52,658	4.4
Truck Maintenance	Truck maintenance	8,926	3.2	10,347	3.6	15.9	38,923	3.2
	Others	1,191	0.4	1,303	0.5	9.4	4,582	0.4
	Eliminations	(6,495)	(2.3)	(6,749)	(2.4)	3.9	(27,504)	(2.3)
	Total	3,623	1.3	4,902	1.7	35.3	16,001	1.3
Other	JITBOX Charter service	539	0.2	673	0.3	24.8	2,521	0.2
	Others	25,018	8.9	27,946	9.8	11.7	50,360	4.2
	Eliminations	(24,626)	(8.8)	(27,550)	(9.7)	11.9	(48,561)	(4.1)
	Total	931	0.3	1,068	0.4	14.7	4,321	0.3
Total		278,942	100.0	284,770	100.0	2.1	1,200,834	100.0

\* Despite the adoption of the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" effective from the first quarter under review, the new segmentation is identical to the former "segment information by business," and accordingly, comparisons with the figures disclosed in the year-ago period are presented.