

Dear Business Partners and colleagues,

We pray for all those who have lost their lives at the catastrophe caused by the earthquake and the ensuing tsunami that hit the north-east Japan on 11 March 2011. We also express our heartfelt condolences and best wishes for the people still faced with the difficulties in the aftermath. We hope the swiftest rescue and recovery from the destructions will take place as soon as possible.

We are grateful for the concerns and good wishes expressed in the messages from many partners, friends and colleagues about our situations, especially that of Sendai Store, and their encouragement and support for us immediately after the quake. We thank you all from the bottom of our heart.

Sendai Store, Sendai Sales Office and Mito Sales Office were badly damaged by the earthquake. At the store, almost all books fell out of shelves and lost their commercial values as the water released from the sprinkler system ruined them. Fortunately, however, all customers and our staff, both on and off duty on the day, have been confirmed safe, which is truly a big relief.

Although the dire situations continue with shortage of relief supplies and the lack of basic infrastructure, our employees on the ground have started recovery operations since 16th March. There is no clear prospect for reopening of Sendai Store at the moment. Sendai Sales Office has the telephone lines and the LAN connection restored, but yet to recover the source of heating. Mito Sales Office has temporarily moved to the Campus Book Centre at Tokiwa University to resume their operation. My admiration goes to those courageous colleagues who toil in the hardship with remarkable resilience, while we at HQs are doing everything in our power to reach and help them out.

At this time, the earthquake and the subsequent events have had our company face the gravest adversity since its foundation. However, it is the hard time like this that tests the real strength of the organisation. All directors and employees here at Books Kinokuniya are united and set to work with sheer determination as well as support from partners and colleagues to overcome the situation.

Our network of stores, sales offices and administration facilities outside those affected areas are all in operation despite certain limitations caused by the introduction of controlled power outages in selected regions and areas. Also, we launched on 18th March our new corporate website, aimed to be a 'News Portal where you know what you need to know about books'. We would appreciate your visit to the site.

There will be hardly any companies in Japan that are not affected by this catastrophe. Many are suffering a setback in one way or the other. Let us stand together as an industry that takes pride in promoting creative culture through publications, to come out of the disaster and to come back stronger and more spirited than ever.

Once again, we would like to express our sincerest gratitude for your thoughts and kind wishes for us, and our best wishes for all of your robust development and continued prosperity.

Yours sincerely

Masashi TAKAI

President

Kinokuniya Company Ltd.

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