



May 8, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 <under Japanese GAAP>

Company name: Yamato Holdings Co., Ltd.
 Listing: Tokyo Stock Exchange
 Stock code: 9064
 URL: <https://www.yamato-hd.co.jp/>
 Representative: Yutaka Nagao, President
 Contact: Toshizo Kurisu, Executive Officer and Vice President, Responsible for Finance
 Tel: +81-3-3541-4141 (from overseas)

Scheduled date of the ordinary general meeting of shareholders: June 21, 2024
 Scheduled date of the commencement of dividend payment: May 31, 2024
 Scheduled date of the submission of annual securities report: June 14, 2024
 Preparation of supplementary materials on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than 1 million yen are discarded)

1. Consolidated financial results for fiscal year 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the year ended March 31, 2024	1,758,626	(2.3)	40,059	(33.3)	40,458	(30.3)	37,626	(18.0)
March 31, 2023	1,800,668	0.4	60,085	(22.2)	58,066	(31.1)	45,898	(18.0)

(Note) Comprehensive income: For the year ended March 31, 2024: 42,003million yen ((8.9%))
 For the year ended March 31, 2023: 46,114 million yen ((2.5%))

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to operating revenue
	Yen	Yen	%	%	%
For the year ended March 31, 2024	107.23	—	6.3	3.6	2.3
March 31, 2023	126.64	—	7.6	5.3	3.3

(Reference) Share of loss (profit) of entities accounted for using equity method: For the year ended March 31, 2024: (837) million yen
 For the year ended March 31, 2023: (4,158) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	1,135,895	591,980	51.6	1,708.00
March 31, 2023	1,107,587	616,430	55.1	1,684.87

(Reference) Equity: As of March 31, 2024: 585,755million yen As of March 31, 2023: 610,380 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
For the year ended	Millions of yen	Millions of yen	Millions of yen	Millions of Yen
March 31, 2024	64,333	(22,435)	(30,777)	194,702
March 31, 2023	89,953	(49,420)	(38,617)	183,225

2. Dividends

	Annual dividends					Total annual dividends	Payout ratio (consolidated)	Dividends on equity (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	—	23.00	—	23.00	46.00	16,686	36.3	2.8
March 31, 2024	—	23.00	—	23.00	46.00	15,988	42.9	2.7
March 31, 2025 (Forecast)	—	23.00	—	23.00	46.00		49.3	

(Note) Revisions to the forecasts most recently announced: None

3. Consolidated earnings forecasts for fiscal year 2025 (from April 1, 2024 to March 31, 2025)

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year	865,000	(0.2)	(5,000)	—	(5,000)	—	(7,000)	—	(20.41)
Full year	1,820,000	3.5	50,000	24.8	50,000	23.6	32,000	(15.0)	93.31

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- Changes due to revision to accounting standards, etc.: None
- Changes other than a: None
- Changes in accounting estimates: None
- Restatement: None

(3) Number of issued shares (common shares)

- Number of issued shares as of the end of the period (including treasury shares)
 - As of March 31, 2024: 360,496,492 shares
 - As of March 31, 2023: 379,824,892 shares
- Number of treasury shares as of the end of the period
 - As of March 31, 2024: 17,548,985 shares
 - As of March 31, 2023: 17,552,067 shares
- Average number of shares during the period (cumulative from the beginning of the fiscal year)
 - For the fiscal year ended March 31, 2024: 350,881,081 shares
 - For the fiscal year ended March 31, 2023: 362,445,520 shares

(Note) For details of the number of shares used to calculate consolidated basic earnings per share, please see "3. Consolidated Financial Statements and Significant Notes Thereto, (5) Notes to consolidated financial statements (Per share information)" of the attached materials to the financial results report on page 25.

*Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

*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 the Company considers to be reasonable. Actual financial results may differ significantly from the projections for various reasons. For points to note when using such assumptions and financial projections, please see “1. Overview of Operating Results and Others, (4) Future outlook” on page 7 of the attached materials to the financial results report.
- The Company plans to post supplementary materials on financial results on the Company’s website promptly after the announcement of the financial results.

Attached Materials
Index

1. Overview of Operating Results and Others	2
(1) Summary of operating results for the fiscal year ended March 31, 2024.....	2
(2) Explanation of financial position for the fiscal year ended March 31, 2024	7
(3) Overview of cash flows for the fiscal year ended March 31, 2024.....	7
(4) Future outlook	7
(5) Operational and financial issues to be addressed.....	8
2. Fundamental Approach to Selection of Accounting Standards.....	10
3. Consolidated Financial Statements and Significant Notes Thereto.....	11
(1) Consolidated balance sheet	11
(2) Consolidated statement of income and consolidated statement of comprehensive income.....	14
(3) Consolidated statement of changes in equity.....	17
(4) Consolidated statement of cash flows	19
(5) Notes to consolidated financial statements	21
(Notes to premise of going concern)	21
(Significant matters forming the basis of preparing the consolidated financial statements)	21
(Segment information, etc.)	22
(Per share information).....	25
(Important subsequent matters)	25
4. Others	26
Operating revenue by segment.....	26

1. Overview of Operating Results and Others

(1) Summary of operating results for the fiscal year ended March 31, 2024

During the fiscal year ended March 31, 2024, the global inflationary trend became more stable, with the rise in natural resources and energy prices due to the instability in global affairs reversing to a decline, and measures are being taken in anticipation of a slowdown in the economy, such as the financial authorities in Europe and the U.S. maintaining current interest rates. Meanwhile in Japan, it remains hard to anticipate a full-fledged economic recovery. Although the economic sentiment is currently improving, with cost inflation being passed on to prices, and the growth in consumption for services due to the recovery in domestic and inbound tourism demand, as well as the increase in capital expenditures, there are factors such as sluggish consumer spending due to factors including the fact that real wages are not rising, as well as the labor shortage becoming more serious.

Under these circumstances, the Yamato Group is promoting initiatives to provide comprehensive value to address the diversifying needs of customers and society, in order to achieve sustainable corporate value enhancement through “Helping to enrich our society” which is part of our Management Philosophy, under the Group management structure in which we brought together the management resources of each Group company.

Our consolidated financial results for the fiscal year ended March 31, 2024 are as follows:

(Millions of yen)				
Item	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024	Change	Growth (%)
Operating revenue	1,800,668	1,758,626	(42,041)	(2.3)
Operating profit	60,085	40,059	(20,025)	(33.3)
Ordinary profit	58,066	40,458	(17,607)	(30.3)
Profit attributable to owners of parent	45,898	37,626	(8,271)	(18.0)

For the fiscal year ended March 31, 2024, operating revenue was 1,758,626 million yen, down 42,041 million yen from the previous year. This was attributable to factors such as our price optimization efforts, while parcel volume and demand for international transportation declined.

Operating expenses was 1,718,566 million yen, down 22,016 million yen from the previous year. This was attributable to factors such as our focus on optimizing operating expenses, in the face of the continuing increase in costs due to changes in the external environment such as natural resource prices, energy prices and hourly wages.

As a result, for the fiscal year ended March 31, 2024, operating profit was 40,059 million yen, down 20,025 million yen from the same period of the previous year. Profit attributable to owners of parent was 37,626 million yen, down 8,271 million yen from the previous year, due to factors such as the booking of disposal gains of non-current assets.

The Yamato Group made a resolution in the Board of Directors' meeting held on July 27, 2023 to enter into a strategic business alliance with World Holdings Co., Ltd., and transferred 51% of the shares of our consolidated subsidiary Yamato Staff Supply Co. Ltd., to World Staffing Co., Ltd., which is a consolidated subsidiary of World Holdings Co., Ltd. Following this share transfer, the ratio of voting rights of Yamato Staff Supply Co. Ltd. owned by Yamato Holdings Co., Ltd. became 49%, making Yamato Staff Supply Co. Ltd. an entity accounted for using the equity method of Yamato Holdings Co., Ltd. from the second quarter of the current consolidated fiscal year.

Initiatives for the entire Yamato Group

The Yamato Group is working on initiatives to realize sustainable corporate value enhancement through “Helping to enrich our society”, which is in our management philosophy, and to enhance the comprehensive value provision to address the diversifying needs of customers and society. In order to address the rise in costs resulting from changes in the external environment, we are optimizing our pricing, as well as responding to cost increases at our business partners in a timely and appropriate manner, thereby maintaining and strengthening the transportation and delivery network as well as establishing an environment to continue providing higher quality services to our customers.

① Structural reforms of our network operations

We are working to establish a designated network optimized for the diversifying needs for logistics, including the EC demand as well as the shift in BtoB logistics towards small-lot and high frequency deliveries. We are also promoting initiatives to reinforce the TA-Q-BIN network, such as consolidating and enlarging last-mile pick-up and delivery facilities, in contrast with our previous strategy of opening many small offices, in order to be able to make adjustments more flexibly in accordance with fluctuations in parcel volume, making the transportation between facilities more efficient, and shortening the waiting time for parcels, as well as redefining the functions of our Terminals, innovating “sorting operations” and “transportation” using digital technologies, and making our administration more efficient.

In the fiscal year ended March 31, 2024, based on the Basic Agreement signed with Japan Post Group, we began handling the “Kuroneko Yu-Packet” and “Kuroneku Yu-Mail” deliveries. We are continuing to use the management resources of both Groups to establish transportation services that improve the convenience for customers and grow our businesses, while addressing the “2024 Problem” faced by the logistics industry, as well as carbon neutrality.

② Enhancing value provision to corporate clients

Amid the increasing risk factors such as global politics and economics as well as supply chains forming “blocks”, together with environmental issues, the Yamato Group has positioned the solutions business, which aims to solve clients’ management issues across the entire supply chain, as a new growth area. In this context, the Yamato Group continues to integrate sales and operations, while utilizing the Group’s management resources to the fullest, in order to expand the value we provide to the entire supply chain, from Japan to the world.

In addition, the Yamato Group is promoting the reduction of greenhouse gas (GHG) emissions by the Group (own emissions), through measures including the introduction of EVs and temperature-controlled deliveries without using dry ice. Moreover, we are continuing to work on creating new value provided to corporate clients, such as by developing a GHG emissions visualization tool that is in conjunction with the international standard ISO 14083:2023, in order to build a supply chain with less environmental impact, to optimize inventory owned by clients and their production activities. In this fiscal year, we implemented the “Declaration of Carbon Neutrality” for three of our parcel delivery services: TA-Q-BIN, TA-Q-BIN Compact, and EAZY. This declaration is to show that we achieved carbon neutrality in accordance with the international standard ISO 14068-1:2023 in the fiscal year ended March 31, 2023 (April 2022 to March 2023), and to show our commitment that we will continue our efforts to reduce our own GHG emissions from business activities, to achieve carbon neutrality for three of our parcel delivery services by 2050. Through the provision of transportation services that are mindful of climate change, the Yamato Group will further promote the use of such services by individual and corporate customers.

③ Promoting strategies for achieving sustainable enhancement of corporate value

The Yamato Group is working to promote digital and HR strategies, as well as enhancing sustainable management and governance, which will serve as the platform to expand the value provided to the supply chain on an “End to End” basis, while realizing the sustainable enhancement of corporate value.

As for our digital strategy, we are establishing a structure that integrates “Business and Digital”, while expanding the value provided to clients and improving operational efficiency, by utilizing our digital information platform “Yamato Digital Platform”, which can grasp all sorts of information on a real-time basis, and connect it to both internal and external systems. In the fiscal year ended March 31, 2024, we continued to utilize digital technologies to collect and analyze customers’ voices, as well as promote the improvement and design of services, with the aim of further enhancing the value customers feel when they experience our services.

In terms of our HR strategy, we are establishing the optimal talent portfolio to create new value-add, as well as accommodating a diverse variety of employees and boosting their motivation, based on our “Human Resources Management Policy” that links the growth of employees to the growth of the Group. As for strengthening our sustainable management, we are promoting initiatives to address the materiality specified based on our two visions, towards mid to long-term corporate value enhancement and realizing a sustainable society, of “Connect. Deliver the Future via Green Logistics” and “Through Co-Creation and Fair Business Activities, Help Create a Society That ‘Leaves No One Behind’”.

In the domain of the environment, we are continuing to promote measures such as “introducing 23,500 EVs”, “introducing 810 solar power generation equipment” and “improving the usage rate of renewable energy-based electricity”, in order to achieve the target of “48% reduction in GHG in 2030, compared to fiscal year ended March 2021” and “net zero GHG emissions (own emissions) by 2050”. In the fiscal year ended March 31, 2024, the Yawata TA-Q-BIN Sales Office in Kyoto was reopened following a renewal. We will conduct trials for energy management at this facility, including initiatives to optimize EV operations, and utilize electricity derived from renewable sources. This facility will serve as a model, at which we are using EVs for all its pickup and delivery trucks (32 trucks) for the first time in Japan, as well as introducing solar power generation facilities and batteries, as well as using electricity generated from renewable energy sources, and lowering the peak usage of electricity by introducing a system to level out electricity. Moreover, we are working to realize sustainable logistics, such as by collaborating with a car manufacturer to start trials using mini-EV vehicles with cartridge-type batteries in our pick-up and delivery operations. In the domain of the society, we are continuing to work on initiatives towards realizing an enriched society valuing the diversity of our talent, and creating a work environment that brings out the best of our employees, while addressing various social issues, and helping to build local communities through co-creation.

As for enhancing our governance, we will continue to reinforce our corporate governance, by measures such as separating the oversight and execution in our management, as well as maintaining and strengthening management transparency. We are also engaging in business structural reforms through a governance structure focusing on the speed of decision-making.

- ④ Formulation of the medium-term management plan “Sustainability Transformation 2030 ~1st Stage~”
The Yamato Group has set a “value-creating company that contributes to the realization of a sustainable future” as its aspiration for 2030, and in February 2024, set the medium-term management plan “Sustainability Transformation 2030 ~1st Stage~”, with the fiscal year ending March 2027 as the final year. In accordance with this plan, the Group will work to reinforce the TA-Q-BIN network and enhance the value provided, expand the corporate business domain by providing solutions that cover the entire supply chain, commercialize new business models that cater to the needs of diversifying customers and society, and strengthen the Group’s business platform, thereby generating “economic value”, as well as creating “environmental value” and “social value” through our initiatives to achieve social sustainability. Effective from the fiscal year ending March 31, 2025, we will change to four business segments defined in the medium-term management plan: “Express Business”, “Contract Logistics Business”, “Global Business”, and “Mobility Business”.

Business strategies of each segment

● Retail Business Unit

- ① The Retail Business Unit provides high-quality small-lot parcel delivery services such as TA-Q-BIN, while serving as the starting point of business for the entire Group, and has been working to provide value that addresses the needs of our customers by utilizing our strength of having points of contact with customers that originates through the provision of TA-Q-BIN services, with our front-line employees monitoring and capturing changes in our customers in their lifestyles and business environments, and working with the sales people in charge of corporate clients and proposing solutions that utilize the Group’s management resources. The Retail Business Unit has also been working to provide services that make sending and receiving more convenient, particularly the “Kuroneko Members” service, which has more than 50 million registered members, and the “Yamato Business Members” service, which is used by more than 1.7 million corporate clients, and also through efforts to upgrade various services other than those involving transportation that are beneficial in terms of people’s lives and business.
- ② The Retail Business Unit is working to reinforce the TA-Q-BIN network, with the aim of enhancing productivity of the overall network operations. In the fiscal year ended March 31, 2024, we continued to consolidate and enlarge the last-mile pick-up and delivery facilities mainly in the urban areas, in contrast with our previous strategy of opening many small offices, as well as establish a network designated to temperature-controlled deliveries, while establishing a system to flexibly adjust the delivery area and routes based on fluctuations in the workload.

- ③ Operating revenue of the Retail Business Unit from external clients amounted to 877,948 million yen, down 1.9% year-on-year, as a result of the rise in the unit price of parcels, while there was a decline in volume. Operating profit declined 9,708 million yen year-on-year. Although progress was made in optimizing operating costs, it was not enough to offset the decline in volume.

● Corporate Business Unit

- ① The Corporate Business Unit is integrating sales and operations and promoting the establishment and expansion of the designated network, with the aim of enhancing value provision to the entire supply chain that connects Japan to the world, while taking a step further than improving the quality and efficiency of logistics operations, to strengthen account management, which involves making improvement proposals based on management issues faced by clients, and engaging in effective project development as well as management and operations.
- ② In the urban areas where EC demand is concentrated, the Unit has been building an EC logistics network with more simplified operations covering sorting, transportation and last-mile deliveries, as well as using our partnerships with major e-commerce companies to implement initiatives to further improve convenience and expand sales for services that completely or partially replace operational functions from order receiving to shipping and delivery, with the aim of optimizing logistics for e-commerce vendors with stores in online shopping malls.
- ③ In cross-border EC for which growth is accelerating, we are working on initiatives to enhance value provided on an “End to End” basis over the supply chain, such as connecting the IT system for import customs clearance with the domestic delivery network, in order to shorten the lead-time to delivery. In the fiscal year ended March 31, 2024, we started providing small-lot marine transportation services for cross border EC operators, that allows low-cost and speedy deliveries to the buyers who use cross border EC.
- ④ Operating revenue from customers was 824,096 million yen, down 2.6% year-on-year, mainly as a result of the decline in international transportation volume. Operating profit declined 8,551 million yen year-on-year, due to factors including the increase in expenses to consign deliveries to the Retail Unit.

(Reference)

Category	(Million parcels / units)			
	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024	Change	Growth (%)
TA-Q-BIN/TA-Q-BIN Compact/EAZY	1,926	1,886	(40)	(2.1)
Nekopos/Kuroneko Yu-pack	413	409	(3)	(0.9)
Kuroneko DM-Bin/Kuroneko Yu-Mail	800	626	(173)	(21.7)

● Other

- ① During the fiscal year ended March 31, 2024, we continued to promote efforts to expand sales for transportation by transport box taking advantage of the network consisting of multiple corporate groups and for vehicle maintenance services.
- ② Operating revenue from customers was 56,581 million yen, down 5.8% year-on-year. Operating profit was 12,734 million yen, down 8.4% year-on-year.

Initiatives such as safety and regional co-creation

- ① The Yamato Group places utmost priority on protecting human life and conducts a range of safety measures. Accordingly, its transport safety management practices in that regard involve drawing up its Safety Management Regulations, building up its transport safety management systems, and formulating annual plans, all centered on respective Group companies whose main operations involve transport. During the fiscal year ended March 31, 2024, we continued to conduct the “Traffic Safety Class for Children” at kindergartens and elementary schools, as well as engage in activities to raise awareness

towards safety, including the “Zero Traffic Accidents Campaign” by the entire Group, as well as the “National Safety Competition”, in which drivers from all over Japan competed with each other in their skills and knowledge regarding driving safety.

- ② Aiming to create more sustainable social value, the Yamato Group promotes initiatives for sharing value with society based on the concept of “Creating Shared Value (CSV).” We continue to operate the Neko Support Station as a local community facility that supports the healthy and sustainable development of the local community, and the safe and comfortable lives of people in the area. We also provide housekeeping support services, monitoring services that use “HelloLight” IoT light bulbs, consultation services for everyday life, and hold events that enable interaction among community members. Moreover, in the fiscal year ended March 31, 2024, based on the basic agreement regarding the partnership signed between a retailer that operates drug stores in Hokkaido and Yamato Transport, we are promoting activities to address social issues faced by Hokkaido and realize a sustainable regional economy, through initiatives such as enhancing shopping support using the TA-Q-BIN sales offices and mobile vending vehicles, making it possible to receive parcels at drug stores, having items purchased in stores delivered to people's homes, as well as providing efficient and stable deliveries of merchandise to retailers.
- ③ Aspiring to be a company that continually evolves in step with society, and led by the Yamato Welfare Foundation, the Yamato Group conducts various activities to help realize a society in which disabled people can experience the joy of working autonomously. Specifically, we engage in ongoing programs that support economic independence of people with disabilities, such that include actively employing people with disabilities at the Swan Bakery which makes and sells bread, and operating job-finding support facilities where they take part in training to acquire skills and knowledge necessary for employment.

(2) Explanation of financial position for the fiscal year ended March 31, 2024

Total assets were 1,135,895 million yen as of March 31, 2024, up 28,308 million yen from the end of the previous fiscal year. The increase was largely attributable to the increase in property, plant and equipment of 11,736 million yen resulting from the construction and renovation of facilities, mainly in the Retail Business Unit, cash and deposits of 9,687 million yen, and investment securities of 8,108 million yen due to mark-to-market evaluation and other factors.

Liabilities increased 52,757 million yen to 543,914 million yen from the end of the previous fiscal year. The increase was largely attributable to the 21,000 million yen increase in borrowings, and the 20,000 million yen increase in bonds payable due to the issuance of green bonds.

Total net assets were 591,980 million yen, down 24,449 million yen from the end of the previous fiscal year. The major factors included profit attributable to owners of the parent being 37,626 million yen, and conducting 16,432 million yen of dividends of surplus, as well as the acquisition of 50,001 million yen of our own shares.

As a result, the equity ratio changed to 51.6%, from 55.1% in the previous fiscal year.

(3) Overview of cash flows for the fiscal year ended March 31, 2024

Net cash generated by operating activities amounted to 64,333 million yen, which was 25,620 million yen less than the previous fiscal year. This is largely attributable to profit before income taxes being 51,704 million yen, which was a decrease of 5,111 million yen, and the booking of 12,239 million yen of gain on sales of non-current assets resulting from the sale of land.

Net cash used in investing activities amounted to 22,435 million yen, which is a decrease of 26,985 million yen compared with the previous fiscal year. This is largely attributable to the 16,163 million yen increase in proceeds from the sale of property, plant and equipment, and the amount of other payments declining by 5,684 million yen.

Net cash used in financing activities was 30,777 million yen, which is a decrease of 7,839 million yen compared to the previous fiscal year. This is largely attributable to the 26,553 million yen increase in income from borrowings, and the 19,928 million yen income from the issuance of bonds, as well as the 40,006 million yen increase in spending related to the purchase of treasury shares.

As a result of the above, cash and cash equivalents were 194,702 million yen as of March 31, 2024, up 11,476 million yen from the end of the previous fiscal year.

(4) Future outlook

As for the business environment surrounding the Yamato Group, the global inflationary trend became more stable, but in Japan, it remains hard to anticipate a full-fledged economic recovery. Costs are expected to rise as a result of changes in the external environment, such as the application of upper limits to overtime for the driving of vehicles, which started in April 2024 (the “2024 issue”). Moreover, in the medium- to long-term, we are anticipating the expansion of EC, heightened geopolitical risks, the acceleration of the decline in birth rate and aging of society, the depopulation of rural areas, as well as the intensifying of labor shortage and climate change.

Under these circumstances, Yamato Group has set a “value-creating company that contributes to the realization of a sustainable future” as its aspiration for 2030, and set the medium-term management plan “Sustainability Transformation 2030 ~1st Stage~”, with the fiscal year ending March 2027 as the final year, in order to realize sustainable corporate value enhancement by “Helping to enrich our society”, which is part of our Management Philosophy. In accordance with this plan, the Group will work to reinforce the TA-Q-BIN network and enhance the value provided, expand the Corporate business domain by providing solutions that cover the entire supply chain, commercialize new business models that cater to the needs of diversifying customers and society, and strengthen the Group’s business platform, thereby generating “economic value”, as well as creating “environmental value” and “social value” through our initiatives to achieve social sustainability.

For the fiscal year ending March 2025, we will bring operating revenues back to a growth trajectory, based on the strategies outlined in the medium-term management plan, and by addressing the various needs and expectations of customers, while promptly implementing new initiatives for future growth, such as our facilities

strategy to reinforce the TA-Q-BIN network, utilizing digital technologies to reform "sorting operations", "transportation", and "work styles", and the starting of freighter operations, thereby achieving further growth in the second year of the medium-term plan and onwards.

As for the consolidated earnings forecast for the full year, we are anticipating operating revenues of 1,820 billion yen, operating profit of 50 billion yen, ordinary profit of 50 billion yen, and profit attributable to owners of parent of 32 billion yen.

(5) Operational and financial issues to be addressed

The Yamato Group is operating in a business environment in which global inflationary trends are stabilizing, but in Japan it remains difficult to anticipate a full-fledged economic recovery, with personal consumption remaining stagnant. Meanwhile, costs are expected to rise due to changes in the external environment, such as the regulation to set a "cap to overtime work (the 2024 issue)" for drivers, which was implemented from April 2024. Moreover, we are anticipating medium- to long-term changes including the expansion of EC, the heightening of geopolitical risks, the declining birthrate and the aging society, the depopulation of rural areas, as well as labor shortage and climate change intensifying. Against this backdrop, the Yamato Group will, promote the following initiatives ① to ⑤, based on the medium-term management plan "Sustainability Transformation 2030 ~1st Stage~" which lasts until the fiscal year ending March 2027, in which we have set our aspiration for 2030 as becoming a "value-creating company that contributes to the realization of a sustainable future", to realize the sustainable enhancement of corporate value through "helping to enrich our society" as stated in our management philosophy.

① Reinforcement of the TA-Q-BIN network and the enhancement of value provided

With the expansion of EC, the declining birthrate, aging population, depopulation of rural areas, and the intensifying of labor shortages and climate change, the Yamato Group will continue to promote structural reforms of our network operations in order to strengthen the TA-Q-BIN network as a social infrastructure to make it more efficient and sustainable. Specifically, in order to flexibly respond to volume fluctuations, improve the efficiency of transportation between facilities, and shorten waiting times for cargo, we will consolidate and enlarge the size of last-mile pick-up and delivery facilities, for which the strategy until now has been to have a large number of small facilities, redefine terminal functions, and utilize digital technology to reform "sorting operations", "transportation", and "work styles". The Yamato Group will also continue its work to standardize the administration and indirect operations of front-line employees, as well as back-office operations, and on BPR (Business Process Reform) through digitalization, to maintain and enhance the safety and quality of operations, as well as the work environment and job satisfaction of our employees and partners, while optimizing operating costs.

In addition, we will enhance the value we provide to customers by expanding our transportation service lineup, raising the value of customer experience through the Kuroneko Members membership service for individuals, and offering "carbon neutral deliveries" for the three parcel delivery products, etc. In addition, we will promote the collection of appropriate tariffs and fees, through annual reviews of reported fares based on changes in the external environment, and reviewing contracts with corporate clients.

② Expansion of corporate business domain

With various risk factors becoming more serious, including environmental issues, and blocs being formed around the world in politics and the economy, as well as in the supply chain, the Yamato Group is positioning the solution business, in which we seek to solve challenges faced by customers throughout the entire supply chain, as a growth area, and we are focused on expanding the Contract Logistics business and the Global business.

In the Contract Logistics business, we will focus on synergies with the Express business, and by providing solutions that solve issues faced by customers who use TA-Q-BIN, and supporting the growth of their businesses, we will strengthen initiatives such as further promoting the use of parcel delivery services, charging the appropriate pricing based on the value provided, and securing new sources of logistics revenue. In addition, we will strengthen our sales support system and enhance the skills of our sales people, so that the corporate sales people assigned to each region can make optimal proposals, by utilizing information such as the insights gained by sales drivers from their contacts with customers.

In the Global business, we will capture the opportunity presented by changes in the supply chain, and while leveraging the vast domestic client base we have developed in the parcel delivery business, we will strive to further expand in business domains where the Yamato Group has strengths, such as the automotive and high-tech industries, as well as strengthening our sales power mainly in Japan, the United States and Mexico, India and Southeast Asia. We will also work to improve the cargo-loading efficiency in our forwarding operations by narrowing down the markets we focus on, strengthen proposals for the expanding cross-border EC, and capture logistics demand associated with the expansion of domestic demand for consumer goods and other products in our focus regions.

In addition to our organic growth measures, we will promote M&A and strategic business alliances in order to accelerate the expansion in growth areas. In considering M&A opportunities, the business division that is responsible for revenues will work hand in hand with the department specializing in M&A to promote M&A with discipline, and to prioritize the compatibility with the growth strategies in the Contract Logistics business and the Global business, as well as set quantitative KPIs to monitor the success of investments.

③ Commercialization of new business models

In order to realize a sustainable future, the Yamato Group will promote the commercialization of new business models that meet the increasingly diverse needs of customers and society, while leveraging existing management resources and working with a wide range of partners.

In the Mobility Business, based on the vehicle maintenance business, we will develop the platform and ecosystems that achieve both decarbonization and good economics, including support for the introduction and operation of commercial EVs, utilizing the know-how regarding EVs, solar power generation equipment and energy management, accumulated through environmental investments and trials conducted within the Yamato Group to date, thereby contributing to the sustainability of society and the logistics industry as a whole. In addition, to meet the diverse needs of local communities, we will strive to create new value through measures such as the deployment of "Neko Support Station", which aims to provide new services in addition to the shipping and receiving of parcels, and the sales expansion of "Kuroneko Mimamori Service Hello Light Visit Plan" using the "HelloLight" IoT bulb. Moreover, in order to capture new demand, and expand distribution which revitalizes regional economies, by providing stable and speedy transportation, as well as to maintain and improve the quality of transportation services, we began operating dedicated cargo aircraft (freighters) in April 2024. Going forward, we will gradually increase the number of flights and respond to new customer needs by setting routes and timetables in a flexible manner.

④ Strengthening our Group management platform

The Yamato Group continues to work on its HR strategy, digital strategy, strengthening its sustainable management, as well as strengthening corporate governance, to build the foundation for realizing sustainable corporate value enhancement.

As for our HR strategy, we will prioritize the optimal allocation of talent, in conjunction with business structure reforms, and work on optimizing the organization and headcount, review our evaluation and compensation scheme. Moreover, in order to develop talent that can generate value-add, we will establish and operate an HR management system that promotes the proactive and autonomous development of employees' careers. In order to enhance the motivation and work environment for a diverse range of employees, we will establish an employee welfare scheme that accommodates the life plans of diverse employees, and promote the health management and improvement of our employees, while continuing to engage in promoting diversity, human rights due diligence, and the participation of women in the workplace. Through these initiatives, we will bring out the best of each employee and maximize their contribution, and aim to generate even higher value-add.

As for our digital strategy, we are strengthening our DX promotion structure, and will work to promote DX that is integrated with our businesses, such as enhancing value provision to clients using the digital platform, innovating our "sorting operations", "transportation" and "workstyle", and reforming our back office operational processes.

In enhancing our sustainable management, we will strengthen initiatives related to each of the materialities that we have specified, based on our two Visions for enhancing corporate value over the mid-to-long term, and realizing a sustainable society; "Connect. Deliver the Future via Green Logistics" and "Through Co-Creation and Fair Business Activities, Help Create a Society That 'Leaves No One Behind'".

In terms of the environment domain, we will continue to promote measures such as "introducing 23,500

EVs”, “introducing 810 solar power generation facilities” and “raising the usage rate of renewable energy-based electricity”, as well as establish methods to calculate emissions from the supply chain (Scope 3), in order to achieve the target of “Carbon neutrality (in-house emissions) in 2050” and “48% reduction in GHG in 2030, compared to fiscal year ended March 2021”.

As for the society domain, we will continue to respect the diversity of talent, and create a workplace environment which brings out the best of our employees, while addressing various social issues, and promoting the development of a sustainable supply chain by building suitable relations with business partners, including regular communication, and establishing structures, processes and methods to detect issues early and resolve them.

In enhancing our corporate governance, we will continue to separate management supervision and execution, while maintaining and enhancing management transparency. We will strive to sustainably enhance our corporate value, through constructive dialogue with shareholders and investors and the enrichment of our disclosure.

⑤ Embedding business management with a stronger focus on capital efficiency

The Yamato Group has added ROIC as a new management metric, together with operating profit margin and ROE, in order to achieve capital profitability that is above our cost of capital, by embedding management that places a stronger focus on capital efficiency, together with promoting the strategic initiatives outlined in ①～④ above. During the current medium-term management plan period, we will actively make growth investments in our facility strategy and the promotion of DX that contributes to making our operations more efficient, while making environmental investments in EVs, solar power generation equipment etc., to realize a low-carbon society by providing customers with logistics services that have low environmental impact, as well as improving the energy efficiency of our operations. In the growth areas of Contract Logistics and Global businesses, we will make use of M&A and strategic business alliances, together with organic growth measures.

In order to financially support the above plans, we will be mindful of our financial soundness and efficiency, including the status of cash generation, the status of cash & deposits, shareholders’ equity ratio etc., as well as making effective use of funds within the Group, while raising funding through loans from financial institutions and bond issuances if necessary. From the perspective of financial soundness, we will use around 45-50% for the shareholders’ equity ratio, and around 0.3-0.5 times for the D/E ratio as our benchmarks, and aim to maintain our rating (AA- from R&I). As for shareholder return, we will target 40% or above in dividend payout ratio, and 50% or above in total payout ratio, based on profit attributable to owners of parent. We will flexibly consider share buybacks, based on factors including progress in growth investments, cash flow trends, our share price, etc.

2. Fundamental Approach to Selection of Accounting Standards

The Yamato Group has adopted Japanese GAAP because the Group engages in business primarily in Japan. However, we intend to give ongoing consideration to IFRS and other accounting standards aligned with upcoming expansion into other locations overseas.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	185,373	195,061
Notes and accounts receivable - trade, and contract assets	216,251	212,094
Accounts receivable - installment	50,509	52,787
Merchandise and finished goods	168	97
Work in process	322	212
Raw materials and supplies	2,089	1,723
Other	31,406	35,977
Allowance for doubtful accounts	(1,474)	(1,599)
Total current assets	484,647	496,353
Non-current assets		
Property, plant and equipment		
Buildings and structures	381,218	402,346
Accumulated depreciation	(227,735)	(236,813)
Buildings and structures, net	153,483	165,533
Machinery and equipment	77,642	77,705
Accumulated depreciation	(58,689)	(59,406)
Machinery and equipment, net	18,953	18,299
Vehicles	196,140	192,889
Accumulated depreciation	(165,934)	(163,716)
Vehicles, net	30,205	29,173
Land	179,811	175,187
Leased assets	47,257	51,085
Accumulated depreciation	(13,110)	(15,528)
Leased assets, net	34,146	35,556
Construction in progress	12,379	17,147
Other	61,173	62,291
Accumulated depreciation	(47,136)	(48,436)
Other, net	14,037	13,855
Total property, plant and equipment	443,017	454,753
Intangible assets		
Software	38,149	36,653
Other	5,609	4,562
Total intangible assets	43,759	41,215

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Investments and other assets		
Investment securities	42,758	50,867
Long-term loans receivable	5,258	5,107
Leasehold deposits	22,317	23,255
Retirement benefit asset	20	—
Deferred tax assets	64,291	63,277
Other	3,513	3,342
Allowance for doubtful accounts	(1,996)	(2,278)
Total investments and other assets	136,163	143,571
Total non-current assets	622,940	639,541
Total assets	1,107,587	1,135,895
Liabilities		
Current liabilities		
Notes and accounts payable - trade	160,766	164,073
Short-term borrowings	10,000	10,181
Lease liabilities	5,415	5,868
Income taxes payable	16,911	8,369
Deferred installment income	4,797	5,163
Provision for bonuses	36,918	32,280
Other	109,949	119,968
Total current liabilities	344,758	345,905
Non-current liabilities		
Bonds payable	—	20,000
Long-term borrowings	—	20,818
Lease liabilities	32,858	35,659
Deferred tax liabilities	482	535
Retirement benefit liability	98,295	103,077
Provision for share awards for directors (and other officers)	162	328
Other	14,599	17,589
Total non-current liabilities	146,398	198,009
Total liabilities	491,156	543,914

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	127,234	127,234
Capital surplus	36,839	36,839
Retained earnings	473,891	448,109
Treasury shares	(39,835)	(42,850)
Total shareholders' equity	598,130	569,333
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,280	14,354
Foreign currency translation adjustment	1,781	2,907
Remeasurements of defined benefit plans	1,188	(839)
Total accumulated other comprehensive income	12,250	16,422
Non-controlling interests	6,049	6,225
Total net assets	616,430	591,980
Total liabilities and net assets	1,107,587	1,135,895

(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income (cumulative)

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Operating revenue	1,800,668	1,758,626
Operating costs	1,687,241	1,664,317
Operating gross profit	113,426	94,308
Selling, general and administrative expenses		
Personnel expenses	26,046	25,622
Provision for bonuses	1,077	1,079
Retirement benefit expenses	1,190	953
Provision for share awards for directors (and other officers)	162	187
Commission expenses	9,364	10,407
Taxes and dues	9,399	10,113
Provision of allowance for doubtful accounts	677	891
Depreciation	2,494	2,150
Other	5,359	5,063
Total selling, general and administrative expenses	53,341	54,249
Operating profit	60,085	40,059
Non-operating income		
Interest income	245	408
Dividend income	1,669	1,362
Green Innovation Fund Project Subsidy	—	479
Gain on disposal of vehicles	298	239
Other	1,971	2,150
Total non-operating income	4,184	4,640
Non-operating expenses		
Interest expenses	904	1,404
Share of loss of entities accounted for using equity method	4,158	837
Loss on investments in investment partnerships	257	636
Other	882	1,362
Total non-operating expenses	6,203	4,241
Ordinary profit	58,066	40,458
Extraordinary income		
Gain on sales of non-current assets	95	12,239
Gain on sales of investment securities	1,970	3,861
Penalty income	125	—
Other	15	10
Total extraordinary income	2,207	16,110

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Extraordinary losses		
Loss on retirement of non-current assets	499	401
Impairment losses	1,994	1,423
Loss on sale of investment securities	4	—
Loss on valuation of investment securities	2	95
Payments for retirement and other	—	2,727
Provision of allowance for doubtful accounts	182	188
Dismantlement expenses	753	—
Other	21	29
Total extraordinary losses	3,458	4,865
Profit before income taxes	56,815	51,704
Income taxes - current	23,017	13,926
Income taxes - deferred	(11,623)	(61)
Total income taxes	11,393	13,864
Profit (loss)	45,421	37,840
Profit (loss) attributable to non-controlling interests	(476)	213
Profit (loss) attributable to owners of parent	45,898	37,626

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	45,421	37,840
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,222)	5,063
Foreign currency translation adjustment	2,292	1,118
Remeasurements of defined benefit plans, net of tax	677	(1,971)
Share of other comprehensive income of entities accounted for using equity method	(54)	(48)
Total other comprehensive income	692	4,163
Comprehensive income	46,114	42,003
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	46,597	41,798
Comprehensive income attributable to non-controlling interests	(483)	205

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	127,234	36,813	464,494	(49,551)	578,991
Changes during period					
Dividends of surplus			(16,783)		(16,783)
Profit attributable to owners of parent			45,898		45,898
Purchase of treasury shares				(10,001)	(10,001)
Disposal of treasury shares			(0)	0	0
Cancellation of treasury shares		(0)	(19,717)	19,717	-
Change in ownership interest of parent due to transactions with non-controlling interests		25			25
Net changes in items other than shareholders' equity					
Total changes during period	-	25	9,397	9,715	19,138
Balance at end of period	127,234	36,839	473,891	(39,835)	598,130

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,498	(513)	565	11,551	7,690	598,233
Changes during period						
Dividends of surplus						(16,783)
Profit attributable to owners of parent						45,898
Purchase of treasury shares						(10,001)
Disposal of treasury shares						0
Cancellation of treasury shares						-
Change in ownership interest of parent due to transactions with non-controlling interests						25
Net changes in items other than shareholders' equity	(2,218)	2,295	622	699	(1,641)	(942)
Total changes during period	(2,218)	2,295	622	699	(1,641)	18,196
Balance at end of period	9,280	1,781	1,188	12,250	6,049	616,430

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	127,234	36,839	473,891	(39,835)	598,130
Changes during period					
Dividends of surplus			(16,432)		(16,432)
Profit attributable to owners of parent			37,626		37,626
Purchase of treasury shares				(50,001)	(50,001)
Disposal of treasury shares		0		10	10
Cancellation of treasury shares		(0)	(46,975)	46,975	—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(25,781)	(3,015)	(28,796)
Balance at end of period	127,234	36,839	448,109	(42,850)	569,333

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	9,280	1,781	1,188	12,250	6,049	616,430
Changes during period						
Dividends of surplus						(16,432)
Profit attributable to owners of parent						37,626
Purchase of treasury shares						(50,001)
Disposal of treasury shares						10
Cancellation of treasury shares						—
Net changes in items other than shareholders' equity	5,074	1,126	(2,028)	4,171	175	4,347
Total changes during period	5,074	1,126	(2,028)	4,171	175	(24,449)
Balance at end of period	14,354	2,907	(839)	16,422	6,225	591,980

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	56,815	51,704
Depreciation	41,626	44,430
Impairment loss	1,994	1,423
Increase (decrease) in retirement benefit liability	4,633	2,750
Increase (decrease) in provision for bonuses	(2,056)	(4,541)
Interest and dividend income	(1,914)	(1,771)
Interest expenses	904	1,404
Share of loss (profit) of entities accounted for using equity method	4,158	837
Loss (gain) on sales of non-current assets	(94)	(12,239)
Loss on retirement of non-current assets	499	401
Loss (gain) on sales of investment securities	(1,965)	(3,861)
Loss (gain) on valuation of investment securities	2	95
Decrease (increase) in trade receivables	1,234	1,288
Decrease (increase) in inventories	(356)	542
Increase (decrease) in trade payables	(5,259)	1,001
Other, net	9,845	1,710
Subtotal	110,066	85,175
Interest and dividends received	1,948	1,852
Interest paid	(900)	(1,370)
Income taxes paid	(21,160)	(21,324)
Net cash provided by (used in) operating activities	89,953	64,333
Cash flows from investing activities		
Payments into time deposits	(4,107)	(4,572)
Proceeds from withdrawal of time deposits	4,107	6,466
Purchase of property, plant and equipment	(35,435)	(31,956)
Proceeds from sales of property, plant and equipment	1,391	17,554
Purchase of investment securities	(1,751)	(2,428)
Proceeds from sales of investment securities	4,950	3,238
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	1,265
Loan advances	(3,191)	(3,644)
Proceeds from collection of loans receivable	3,930	3,993
Other payments	(20,175)	(14,491)
Other proceeds	862	2,139
Net cash provided by (used in) investing activities	(49,420)	(22,435)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,000)	600
Repayments of lease liabilities	(5,689)	(5,766)
Proceeds from long-term borrowings	—	20,953
Proceeds from issuance of bonds	—	19,928
Purchase of treasury shares	(10,025)	(50,032)
Dividends paid	(16,770)	(16,431)
Dividends paid to non-controlling interests	(380)	(34)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(777)	—
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	18	—
Other, net	7	5
Net cash provided by (used in) financing activities	(38,617)	(30,777)
Effect of exchange rate change on cash and cash equivalents	705	356
Net increase (decrease) in cash and cash equivalents	2,621	11,476
Cash and cash equivalents at beginning of period	180,603	183,225
Cash and cash equivalents at end of period	183,225	194,702

(5) Notes to consolidated financial statements

(Notes to premise of going concern)

Not applicable.

(Significant matters forming the basis of preparing the consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 27

Names of major consolidated subsidiaries:

Yamato Transport Co., Ltd.	Okinawa Yamato Transport Co., Ltd.
YAMATO TRANSPORT U. S. A., INC.	YAMATO ASIA PTE. LTD.
YAMATO INVESTMENT (HONG KONG) LIMITED	YAMATO BOX CHARTER CO., LTD
Yamato System Development Co., Ltd.	Yamato Autoworks Co., Ltd.

In the fiscal year under review, the liquidation process was completed for Express Network Co., Ltd., and we disposed part of the shares of Yamato Staff Supply Co., Ltd., and as a result both companies have been excluded from the scope of consolidation.

(2) Non-consolidated subsidiaries, etc.

OTL ASIA SDN. BHD. and certain other subsidiaries are not included within the scope of consolidation. The total assets, operating revenue, profit, and retained earnings of these non-consolidated subsidiaries are immaterial and, even taken together as a group, they do not exert a significant influence on the consolidated financial statements.

2. Application of equity method

(1) Number of affiliates accounted for using equity method: 30

Names of major equity method affiliates:

Packcity Japan Co., Ltd.	GDEX BERHAD
Yamato Lease Co., Ltd.	Yamato Home Convenience Co., Ltd.
Yamato Staff Supply Co., Ltd.	

Effective from the fiscal year under review, Yamato Staff Supply Co., Ltd. has been excluded from the scope of consolidation, due to the partial disposal of shares, and has been included in the scope of the equity method. ALP Capital Sdn. Bhd. and 4 other companies have been included in the scope of the equity method from the fiscal year ended March 31, 2024, due to equity method affiliate GDEX BERHAD newly acquiring the shares.

(2) Non-consolidated subsidiaries and affiliates not accounted for using equity method

Entities not subject to the equity method such as OTL ASIA SDN. BHD. and certain other non-consolidated subsidiaries and YAMATO UNYU (THAILAND) CO., LTD. and certain other affiliated companies are excluded from the scope of entities accounted for using the equity method because they do not exert a significant influence on the consolidated financial statements even when taken together as a group, given immateriality of their profit, retained earnings and other financial results corresponding to the ownership held by the Company.

(3) Special note on the application of equity method

The fiscal year-end dates of certain entities accounted for using the equity method differ from the consolidated fiscal year-end date, and accordingly the financial statements have been prepared on the basis of the financial statements and provisional financial results for the respective fiscal years of each of those entities.

(Segment information, etc.)

1. Segment information

(1) Summary of reportable segment

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

The Yamato Group is operated through a Group management structure, under Yamato Holdings Co., Ltd. which is a pure holding company, and manages business operations by customer segment, with the Retail Business Unit which manages retail business that provides delivery services to individuals and mid-to-small sized corporations, the Corporate Business Unit which manages corporate business, global SCM business and EC business that provide transportation services etc. to large corporations, and Other.

Accordingly, Yamato Group's two reportable segments are the Retail Business Unit and the Corporate Business Unit.

Type of services by reportable segment

Reportable segment	Type of services
Retail Business Unit	Small parcel delivery services for consumers and mid-to-small sized corporations
Corporate Business Unit	Transportation services for large corporations, planning and operation of logistics centers, customs services, air cargo agency services
Other	Development and operation of IT systems, car maintenance services, sales of fuel, non-life insurance agency services, cargo vehicle transportation services

(2) Method of calculating operating revenue, profit/loss, assets and other items by reportable segment

The accounting method used for reported business segments complies with accounting policy that has been adopted in preparing the consolidated financial statements.

(3) Information regarding the amounts of operating revenue, profit/loss, assets and other items by reportable segment

Fiscal year ended March 31, 2023

(Millions of yen)

	Retail Business Unit	Corporate Business Unit	Other (Note 1)	Total	Reconciliation (Note 2)	Amount recorded in consolidated financial statements (Note 3)
Operating revenue						
Operating revenue from customers	894,574	846,053	60,040	1,800,668	–	1,800,668
Inter-segment operating revenue or transfers	323,337	16,454	111,991	451,783	(451,783)	–
Total	1,217,911	862,508	172,032	2,252,452	(451,783)	1,800,668
Segment profit (loss)	32,298	13,138	13,900	59,337	747	60,085
Segment assets (Note 4)	788,000	181,737	142,258	1,111,996	(4,409)	1,107,587
Others						
Depreciation	21,883	14,796	4,097	40,777	780	41,557
Investment in entities accounted for using equity method	768	4,309	–	5,077	4,311	9,389
Increases of property, plant and equipment and intangible assets (Note 4)	38,972	9,101	2,324	50,398	5,292	55,691

Notes: 1. Other includes Yamato System Development Co., Ltd. (information systems development) and Yamato Autoworks Co., Ltd. (collective vehicle management agent business for transportation companies).

2. Adjustments made are as follows.

- (1) The adjustment of 747 million yen of segment profit includes group-wide expenses which have not been allocated to each reportable segment (general administrative expenses of the Company, which is a pure holding company) of negative 7,385 million yen, as well as eliminations of transactions among segments of 8,132 million yen.
 - (2) The adjustment of negative 4,409 million yen of segment assets includes eliminations of inter-segment receivables and payables, etc. of negative 112,276 million yen and group-wide assets of 107,867 million yen not allocated to each reportable segment.
 - (3) The adjustment of 4,311 million yen of investment in entities accounted for using the equity method pertains to the amount of investment in those entities accounted for using equity method which are not allocated to respective reportable segments.
 - (4) The adjustment of 5,292 million yen of increases of property, plant and equipment and intangible assets is the Company's capital investment amount.
3. An adjustment was made between segment profit and operating profit in the consolidated statement of income.
4. The segment assets and the increase in property, plant and equipment and intangible assets of the Retail Business Unit includes the 540,416 million yen of segment assets of the Transport Department and Headquarter of Yamato Transport Co., Ltd., as well as the 23,630 million yen increase in its plant and equipment and intangible assets.

Fiscal year ended March 31, 2024

(Millions of yen)

	Retail Business Unit	Corporate Business Unit	Other (Note 1)	Total	Reconciliation (Note 2)	Amount recorded in consolidated financial statements (Note 3)
Operating revenue						
Operating revenue from customers	877,948	824,096	56,581	1,758,626	—	1,758,626
Inter-segment operating revenue or transfers	332,775	13,234	100,766	446,775	(446,775)	—
Total	1,210,723	837,331	157,347	2,205,402	(446,775)	1,758,626
Segment profit (loss)	22,589	4,586	12,734	39,910	149	40,059
Segment assets (Note 4)	829,542	193,603	139,203	1,162,350	(26,455)	1,135,895
Others						
Depreciation	24,463	15,567	3,473	43,503	790	44,294
Investment in entities accounted for using equity method	859	—	—	859	8,495	9,354
Increases of property, plant and equipment and intangible assets (Note 4)	48,219	7,320	1,670	57,210	5,149	62,359

Notes: 1. Other includes Yamato System Development Co., Ltd. (information systems development) and Yamato Autoworks Co., Ltd. (collective vehicle management agent business for transportation companies).

2. Adjustments made are as follows.

- (1) The adjustment of 149 million yen of segment profit includes group-wide expenses which have not been allocated to each reportable segment (general administrative expenses of the Company, which is a pure holding company) of negative 7,841 million yen, as well as eliminations of transactions among segments of 7,990 million yen.
- (2) The adjustment of negative 26,455 million yen of segment assets includes eliminations of inter-segment receivables and payables, etc. of negative 124,980 million yen and group-wide assets of 98,525 million yen not allocated to each reportable segment.
- (3) The adjustment of 8,495 million yen of investment in entities accounted for using the equity method pertains to the amount of investment in those entities accounted for using equity method which are not allocated to respective reportable segments.
- (4) The adjustment of 5,149 million yen of increases of property, plant and equipment and intangible assets is the Company's capital investment amount.

3. An adjustment was made between segment profit and operating profit in the consolidated statement of income.

4. The segment assets and the increase in property, plant and equipment and intangible assets of the Retail Business Unit includes the 569,629 million yen of segment assets of the Transport Department and Headquarter of Yamato Transport Co., Ltd., as well as the 26,903 million yen increase in its plant and equipment and intangible assets.

2. Information regarding impairment losses of non-current assets by reportable segment

Fiscal year ended March 31, 2023

(Millions of yen)

	Retail Business Unit	Corporate Business Unit	Other	Total	Corporate or eliminations	Consolidated
Impairment Loss	748	280	966	1,994	—	1,994

Fiscal year ended March 31, 2024

(Millions of yen)

	Retail Business Unit	Corporate Business Unit	Other	Total	Corporate or eliminations	Consolidated
Impairment loss	898	—	524	1,423	—	1,423

(Per share information)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share (Yen)	1,684.87	1,708.00
Basic earnings per share (Yen)	126.64	107.23

- Notes: 1. The Company's shares held by the Board Benefit Trust (BBT), which is booked as the shares held in own name in the shareholders' equity section are included in the shares held in own name that are deducted from the number of shares outstanding as of the end of the fiscal period, when calculating net assets per share, and is included in the shares held in own name that are deducted from the average number of shares during the period, when calculating net profit per share. The number of shares held in own name as of the end of the fiscal periods that were deducted when calculating net assets per share was 483,000 shares as of the end of the previous fiscal year, and 480,000 shares as of the end of this fiscal year. The average number of shares held in own name during the fiscal periods that were deducted when calculating net profit per share was 483,000 shares as of the end of the previous fiscal year, and 481,000 shares as of the end of this fiscal year.
2. Diluted earnings per share is not presented since no potential shares exist.
3. The basis for calculating "basic earnings per share" is as follows.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit attributable to owners of parent (Millions of yen)	45,898	37,626
Amount not belonging to ordinary shareholders (Millions of yen)	—	—
Profit attributable to owners of parent concerning common shares (Millions of yen)	45,898	37,626
Average number of common shares during the period (Thousands of shares)	362,445	350,881

(Important subsequent matters)

Not applicable.

4. Others

Operating revenue by segment

Business segment	Income	For the fiscal year ended March 31, 2023		For the fiscal year ended March 31, 2024		Change (%)
		Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	
Retail Business Unit	Transportation income	1,191,264	66.2	1,181,251	67.2	(0.8)
	Logistical support income	3,352	0.2	3,640	0.2	8.6
	Others	25,858	1.4	28,913	1.6	11.8
	Eliminations	(325,901)	(18.1)	(335,857)	(19.1)	3.1
	Total	894,574	49.7	877,948	49.9	(1.9)
Corporate Business Unit	Transportation income	617,221	34.3	627,096	35.7	1.6
	Logistical support income	259,525	14.4	226,522	12.9	(12.7)
	Others	33,357	1.9	31,842	1.8	(4.5)
	Eliminations	(64,051)	(3.6)	(61,364)	(3.5)	(4.2)
	Total	846,053	47.0	824,096	46.9	(2.6)
Other	Transportation income	24,616	1.4	22,835	1.3	(7.2)
	Others	155,187	8.6	141,115	8.0	(9.1)
	Eliminations	(119,763)	(6.7)	(107,369)	(6.1)	(10.3)
	Total	60,040	3.3	56,581	3.2	(5.8)
Total		1,800,668	100.0	1,758,626	100.0	(2.3)