

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2024 <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: February 8, 2024
 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 third quarter of fiscal year ending March 31, 2024 (cumulative: from April 1, 2023 to December 31, 2023)

(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 third quarter of the fiscal year ending/ended								
March 31, 2024	1,366,827	(2.1)	50,362	(24.2)	50,615	(21.2)	46,927	20.1
March 31, 2023	1,395,967	1.7	66,400	(16.1)	64,235	(24.6)	39,087	(18.2)

(Note) Comprehensive income: For the third quarter of the fiscal year ending March 31, 2024: 51,241 million yen (24.7%)
 For the third quarter of the fiscal year ended March 31, 2023: 41,099 million yen ((16.6)%)

	Basic earnings per share	Diluted earnings per share
For the third quarter of the fiscal year ending/ended	Yen	Yen
March 31, 2024	132.75	—
March 31, 2023	107.83	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	1,209,463	603,538	49.4
March 31, 2023	1,107,587	616,430	55.1

(Reference) Equity: As of December 31, 2023: 597,281 million yen As of March 31, 2023: 610,380 million yen

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
Fiscal year ended/ending	Yen	Yen	Yen	Yen	Yen
March 31, 2023	—	23.00	—	23.00	46.00
March 31, 2024	—	23.00	—		
March 31, 2024 (Forecast)				23.00	46.00

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

3. Consolidated earnings forecasts for fiscal year 2024 (from April 1, 2023 to March 31, 2024)

(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
Full year	1,765,000	(2.0)	40,000	(33.4)	40,000	(31.1)	36,000	(21.6)	102.60

(Note) Changes from most recently announced forecast: Yes

* Notes

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

(2) Application of specific accounting for preparing the quarterly consolidated financial statements: Yes

(Note) For details, please see "2. Consolidated Financial Statements and Significant Notes Thereto, (3) Notes to consolidated financial statements (Application of specific accounting for preparing the quarterly consolidated financial statements)" of the attached materials to the quarterly financial results report on page 12.

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

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

(4) Number of issued shares (common shares)

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

As of December 31, 2023:	379,824,892 shares
As of March 31, 2023:	379,824,892 shares
- b. Number of treasury shares as of the end of the period

As of December 31, 2023:	36,008,968 shares
As of March 31, 2023:	17,552,067 shares
- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the nine months ended December 31, 2023:	353,506,367 shares
For the nine months ended December 31, 2022:	362,501,978 shares

*Quarterly financial results reports are exempt from quarterly review 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. Qualitative Information on Settlement of Accounts for the Nine Months, (3) Explanation of consolidated earnings forecasts and other forward-looking statements" on page 7 of the attached materials to the quarterly financial results report.
- The Company plans to post supplementary materials on quarterly financial results on the Company's website promptly after the announcement of the quarterly financial results.

Attached Materials

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1. Qualitative Information on Settlement of Accounts for the Nine Months

(1) Summary of operating results

During the nine months ended December 31, 2023, 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 European financial authorities deciding not to raise 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 the decline in demand and cost hikes due to further inflation, 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 nine months ended December 31, 2023 are as follows:

Item	(Millions of yen)			
	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023	Change	Growth (%)
Operating revenue	1,395,967	1,366,827	(29,140)	(2.1)
Operating profit	66,400	50,362	(16,038)	(24.2)
Ordinary profit	64,235	50,615	(13,620)	(21.2)
Profit attributable to owners of parent	39,087	46,927	7,840	20.1

For the nine months ended December 31, 2023, operating revenue was 1,366,827 million yen, down 29,140 million yen from the same period of 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 1,316,464 million yen, down 13,102 million yen from the same period of 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 nine months ended December 31, 2023, operating profit was 50,362 million yen, down 16,038 million yen from the same period of the previous year. However, profit attributable to owners of parent was 46,927 million yen, up 7,840 million yen from the same period of 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. Moreover, as a result of the above, the 14,055 employees of Yamato Staff Supply Co. Ltd., which were included in the “Other” segment as of the end of the previous consolidated fiscal year, have been excluded starting 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 and expand 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 our existing network, such as consolidating and enlarging the TA-Q-BIN Sales offices, 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, as well as redefining the functions of our Terminals, and making transportation and delivery, sorting and administration more efficient.

In the nine months ended December 31, 2023, based on the Basic Agreement signed with Japan Post Group, we began handling the “Kuroneko Yu-Packet” 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 establish and expand dedicated networks by integrating 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 and initiatives towards achieving carbon neutrality of our transportation services, in order to build a supply chain with less environmental impact, to optimize inventory owned by clients and their production activities.

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 nine months ended December 31, 2023, 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 nine months ended December 31, 2023, 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 to realize 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.

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 1.6 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 nine months ended December 31, 2023, we continued to conduct trials to consolidate and enlarge TA-Q-BIN sales offices 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 683,475 million yen, down 1.5% 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 3,968 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 nine months ended December 31, 2023, we promoted the development of a system that ensures a smooth process for import customs clearance and bonded procedures for small-lot ocean freight, in order to allow cross-border EC operators to provide low-cost and speedy deliveries to the buyers on their platforms.
- ④ Operating revenue from customers was 640,607 million yen, down 2.5% year-on-year, mainly as a result of the decline in international transportation volume. Operating profit declined 11,236 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 nine months ended December 31, 2022	For the nine months ended December 31, 2023	Change	Growth (%)
TA-Q-BIN/TA-Q-BIN Compact/EAZY	1,492	1,458	(34)	(2.3)
Nekopos/Kuroneko Yu-pack	311	311	0	0.1
Kuroneko DM-Bin	607	549	(57)	(9.4)

● **Other**

- ① During the nine months ended December 31, 2023, 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 42,743 million yen, down 5.0% year-on-year. Operating profit was 10,530 million yen, down 5.7% 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 nine months ended December 31, 2023, 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 nine months ended December 31, 2023, 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

Total assets were 1,209,463 million yen as of December 31, 2023, up 101,876 million yen from the end of the previous fiscal year. The increase was largely attributable to the increase in notes and accounts receivable - trade, and contract assets of 72,653 million yen, the increase in property, plant and equipment of 6,243 million yen, while investment securities increased 5,709 million yen due to mark-to-market evaluation and other factors.

Liabilities increased 114,767 million yen to 605,924 million yen from the end of the previous fiscal year. The increase was largely attributable to the 50,000 million yen increase in borrowings, the 41,513 million yen increase in notes and accounts payable – trade, while bonds payable increased 20,000 million yen due to the issuance of green bonds.

Total net assets were 603,538 million yen, down 12,891 million yen from the end of the previous fiscal year. The major factors included profit attributable to owners of the parent being 46,927 million yen, and conducting 16,432 million yen of dividends of surplus, as well as the acquisition of 47,680 million yen of our own shares.

As a result, the equity ratio changed to 49.4% from 55.1% in the previous fiscal year.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

In the business environment surrounding Yamato Group, 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 European financial authorities deciding not to raise 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 the decline in demand and cost hikes due to further inflation, 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.

As for the full-year earnings forecast, operating revenue is expected to be 20,000 million yen lower than the previous forecast, due to the revenues of parcel delivery being below the expected level and the continuing downward trend in international transportation.

Under these circumstances, although we will continue to focus on optimizing operating costs, operating expense is expected to exceed the previous forecast by 5,000 million yen, mainly due to the rise in unit prices of subcontracting expenses, mainly outsourcing expenses, etc. Operating profit has been revised downward to 40,000 million yen, down 25,000 million yen from the previous forecast. In addition, in the fourth quarter, when demand for parcel delivery is expected to be weak, the company expects an operating loss, as it did last year. Due to these factors, the Company has revised the forecast for ordinary profit to 40,000 million yen (down 25,000 million yen from the previous forecast) and profit attributable to owners of parent to 36,000 million yen (down 16,000 million yen from the previous forecast).

Consolidated earnings forecasts for the full year of the fiscal year ending March 31, 2024

	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
Forecast as of November 1, 2023 (A)	1,785,000	65,000	65,000	52,000	148.21
New Forecast (B)	1,765,000	40,000	40,000	36,000	102.60
Forecast Change (B-A)	(20,000)	(25,000)	(25,000)	(16,000)	—
Forecast Change (%)	(1.1)	(38.5)	(38.5)	(30.8)	—

2. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	185,373	192,841
Notes and accounts receivable - trade, and contract assets	216,251	288,904
Accounts receivable - installment	50,509	53,403
Merchandise and finished goods	168	143
Work in process	322	117
Raw materials and supplies	2,089	1,870
Other	31,406	41,619
Allowance for doubtful accounts	(1,474)	(1,542)
Total current assets	484,647	577,356
Non-current assets		
Property, plant and equipment		
Buildings and structures	381,218	396,816
Accumulated depreciation	(227,735)	(234,404)
Buildings and structures, net	153,483	162,411
Vehicles	196,140	192,395
Accumulated depreciation	(165,934)	(165,921)
Vehicles, net	30,205	26,474
Land	179,811	174,824
Leased assets	47,257	50,156
Accumulated depreciation	(13,110)	(14,876)
Leased assets, net	34,146	35,279
Other	151,195	158,454
Accumulated depreciation	(105,825)	(108,184)
Other, net	45,369	50,270
Total property, plant and equipment	443,017	449,260
Intangible assets	43,759	42,030
Investments and other assets		
Investment securities	42,758	48,468
Other	95,400	94,529
Allowance for doubtful accounts	(1,996)	(2,181)
Total investments and other assets	136,163	140,816
Total non-current assets	622,940	632,106
Total assets	1,107,587	1,209,463

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	160,766	202,279
Short-term borrowings	10,000	40,000
Lease liabilities	5,415	6,277
Income taxes payable	16,911	5,831
Deferred installment income	4,797	5,131
Provision for bonuses	36,918	12,488
Other	109,949	140,776
Total current liabilities	344,758	412,785
Non-current liabilities		
Bonds payable	—	20,000
Long-term borrowings	—	20,000
Lease liabilities	32,858	34,574
Retirement benefit liability	98,295	100,876
Other	15,244	17,688
Total non-current liabilities	146,398	193,139
Total liabilities	491,156	605,924
Net assets		
Shareholders' equity		
Share capital	127,234	127,234
Capital surplus	36,839	36,839
Retained earnings	473,891	504,386
Treasury shares	(39,835)	(87,506)
Total shareholders' equity	598,130	580,954
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,280	11,878
Foreign currency translation adjustment	1,781	3,736
Remeasurements of defined benefit plans	1,188	712
Total accumulated other comprehensive income	12,250	16,327
Non-controlling interests	6,049	6,257
Total net assets	616,430	603,538
Total liabilities and net assets	1,107,587	1,209,463

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

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Operating revenue	1,395,967	1,366,827
Operating costs	1,288,090	1,274,430
Operating gross profit	107,876	92,396
Selling, general and administrative expenses	41,476	42,034
Operating profit	66,400	50,362
Non-operating income		
Interest income	177	288
Dividend income	1,620	1,318
Green Innovation Fund Project Subsidy	—	479
Other	1,471	1,559
Total non-operating income	3,268	3,646
Non-operating expenses		
Interest expenses	626	1,046
Share of loss of entities accounted for using equity method	3,994	1,074
Other	812	1,272
Total non-operating expenses	5,434	3,393
Ordinary profit	64,235	50,615
Extraordinary income		
Gain on sales of non-current assets	1	12,234
Gain on sales of investment securities	—	1,377
Penalty income	127	—
Other	0	—
Total extraordinary income	130	13,612
Extraordinary losses		
Loss on retirement of non-current assets	313	276
Impairment losses	1,111	29
Loss on sale of investment securities	4	—
Loss on valuation of investment securities	2	95
Payments for retirement and other	—	2,665
Dismantlement expenses	753	—
Other	12	111
Total extraordinary losses	2,197	3,177
Profit before income taxes	62,168	61,049
Income taxes	23,554	14,057
Profit (loss)	38,613	46,992
Profit (loss) attributable to non-controlling interests	(473)	64
Profit (loss) attributable to owners of parent	39,087	46,927

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	38,613	46,992
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,138)	2,770
Foreign currency translation adjustment	3,390	1,942
Remeasurements of defined benefit plans, net of tax	252	(430)
Share of other comprehensive income of entities accounted for using equity method	(19)	(33)
Total other comprehensive income	2,485	4,249
Comprehensive income	41,099	51,241
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	41,588	51,004
Comprehensive income attributable to non-controlling interests	(488)	237

(3) Notes to consolidated financial statements

(Notes to premise of going concern)

Not applicable.

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

Not applicable.

(Changes to the scope of consolidation and/or the application of the equity method)

Major changes to the scope of consolidation

From the second quarter of the fiscal year ending March 31, 2024, Yamato Staff Supply Co., Ltd. has been removed from the scope of consolidation, as a result of the partial transfer of its shares.

During the third quarter of the fiscal year ending March 31, 2024, Express Network Co., Ltd. has been removed from the scope of consolidation, as a result of the completion of its liquidation process.

Major changes to the scope of the equity method

From the second quarter of the fiscal year ending March 31, 2024, Yamato Staff Supply Co., Ltd. has been removed from the scope of consolidation, and included in the scope of the equity method, as a result of the partial transfer of its shares.

(Application of specific accounting for preparing the quarterly consolidated financial statements)

Calculation of tax expenses

Tax expenses are calculated by multiplying the profit before income taxes by the reasonably estimated effective tax rates after the application of tax effect accounting to the profit before income taxes for the fiscal year including the third quarter under review.

(Segment information, etc.)**[Segment information]**

I. For the nine months ended December 31, 2022

1. Information regarding the amounts of operating revenue and profit or loss by reportable segment

(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	694,010	656,967	44,989	1,395,967	—	1,395,967
Inter-segment operating revenue or transfers	244,345	12,928	85,967	343,241	(343,241)	—
Total	938,355	669,896	130,957	1,739,208	(343,241)	1,395,967
Segment profit (loss)	35,853	18,936	11,169	65,960	440	66,400

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. The adjustment of 440 million yen of segment profit includes group-wide expenses of negative 5,605 million yen not allocated to each reportable segment (general and administrative expenses of the Company as a pure holding company) and eliminating transactions among segments of 6,045 million yen.

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

2. Information regarding impairment losses of non-current assets and/or goodwill etc. by reportable segment (Major impairment losses regarding non-current assets)

In "Other", the Company lowered the book value of the asset group for which profitability had declined to the collectable amount, and booked an impairment loss of 908 million yen in the third quarter of the fiscal year ending March 31, 2024.

II. For the nine months ended December 31, 2023

1. Information regarding the amounts of operating revenue and profit or loss by reportable segment

(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	683,475	640,607	42,743	1,366,827	—	1,366,827
Inter-segment operating revenue or transfers	261,563	10,270	81,089	352,923	(352,923)	—
Total	945,038	650,877	123,833	1,719,750	(352,923)	1,366,827
Segment profit (loss)	31,885	7,699	10,530	50,116	245	50,362

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. The adjustment of 245 million yen of segment profit includes group-wide expenses of negative 5,882 million yen not allocated to each reportable segment (general and administrative expenses of the Company as a pure holding company) and eliminating transactions among segments of 6,128 million yen.

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

2. Information regarding impairment losses of non-current assets and/or goodwill etc. by reportable segment (Major impairment losses regarding non-current assets)

Omitted due to lack of materiality.

3. Others

Operating revenue by segment

Business segment	Income	For the nine months ended December 31, 2022		For the nine months ended December 31, 2023		Change (%)
		Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	
Retail Business Unit	Transportation income	917,000	65.7	922,391	67.5	0.6
	Logistical support income	2,342	0.2	2,723	0.2	16.3
	Others	20,886	1.5	22,070	1.6	5.7
	Eliminations	(246,219)	(17.6)	(263,710)	(19.3)	7.1
	Total	694,010	49.7	683,475	50.0	(1.5)
Corporate Business Unit	Transportation income	478,217	34.3	488,846	35.8	2.2
	Logistical support income	203,011	14.5	173,521	12.7	(14.5)
	Others	25,834	1.9	24,522	1.8	(5.1)
	Eliminations	(50,095)	(3.6)	(46,282)	(3.4)	(7.6)
	Total	656,967	47.1	640,607	46.9	(2.5)
Other	Transportation income	18,638	1.3	17,585	1.3	(5.6)
	Others	118,288	8.5	111,390	8.1	(5.8)
	Eliminations	(91,936)	(6.6)	(86,233)	(6.3)	(6.2)
	Total	44,989	3.2	42,743	3.1	(5.0)
Total		1,395,967	100.0	1,366,827	100.0	(2.1)