

Consolidated Financial Results for the Year Ended March 31, 2023 <under Japanese GAAP>

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 Listing: Tokyo Stock Exchange
 Stock code: 9064
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Scheduled date of the ordinary general meeting of shareholders: June 23, 2023
 Scheduled date of the commencement of dividend payment: June 2, 2023
 Scheduled date of the submission of annual securities report: June 16, 2023
 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 2023 (from April 1, 2022 to March 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 year ended								
March 31, 2023	1,800,668	0.4	60,085	(22.2)	58,066	(31.1)	45,898	(18.0)
March 31, 2022	1,793,618	5.8	77,199	(16.2)	84,330	(10.3)	55,956	(1.3)

(Note) Comprehensive income: For the year ended March 31, 2023: 46,114 million yen ((2.5)%
 For the year ended March 31, 2022: 47,276 million yen ((35.5)%)

	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
For the year ended	Yen	Yen	%	%	%
March 31, 2023	126.64	—	7.6	5.3	3.3
March 31, 2022	151.03	—	9.6	7.7	4.3

(Reference) Share of loss (profit) of entities accounted for using equity method: For the year ended March 31, 2023: (4,158) million yen
 For the year ended March 31, 2022: (242) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	1,107,587	616,430	55.1	1,684.87
March 31, 2022	1,086,854	598,233	54.3	1,611.34

(Reference) Equity: As of March 31, 2023: 610,380 million yen As of March 31, 2022: 590,542 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, 2023	89,953	(49,420)	(38,617)	183,225
March 31, 2022	52,016	(58,943)	(54,456)	180,603

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, 2022	—	23.00	—	23.00	46.00	16,985	30.5	2.9
March 31, 2023	—	23.00	—	23.00	46.00	16,686	36.3	2.8
March 31, 2024 (Forecast)	—	23.00	—	23.00	46.00		32.2	

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
Half year	896,000	1.4	13,000	(28.0)	13,000	(28.9)	6,000	(42.1)	16.81
Full year	1,860,000	3.3	80,000	33.1	81,000	39.5	50,000	8.9	142.78

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

As of March 31, 2023:	379,824,892 shares
As of March 31, 2022:	388,575,592 shares
 - b. Number of treasury shares as of the end of the period

As of March 31, 2023:	17,552,067 shares
As of March 31, 2022:	22,084,421 shares
 - c. Average number of shares during the period

For the year ended March 31, 2023:	362,445,520 shares
For the year ended March 31, 2022:	370,487,598 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)" on page 24 of the attached materials to the financial results report.

*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.

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1. Overview of Operating Results and Others

(1) Overview of operating results for the fiscal year ended March 31, 2023

During the fiscal year ended March 2023, the impact of COVID-19 weakened, and there was progress towards the normalization of economic activity. On the other hand, the global economy seems to be moving towards a slowdown, due to reasons including the major central banks in the U.S. and Europe continuing their monetary tightening, in order to address worldwide inflation, including energy prices remaining high, as well as the rise in raw material prices, caused by the instability in global affairs. With consumer spending becoming more sluggish here in Japan due to the rise in prices, it remains hard to anticipate a full-fledged economic recovery. Moreover, COVID-19 has triggered a change in consumption behavior and lifestyles and the expansion of e-commerce in various industries, driven by more people working from home, as well as medical treatment and education taking place online.

Under these circumstances, the Yamato Group focused on providing comprehensive value to address the 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, and based on the Medium-term management plan “One YAMATO 2023” with the fiscal year ending March 2024 as the final year, towards innovating the supply chain to address changes in people’s lifestyles and the distribution structure.

Our consolidated financial results for the full year ended March 31, 2023 are as follows:

Item	(Millions of yen)			
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change	Growth (%)
Operating revenue	1,793,618	1,800,668	7,050	0.4
Operating profit	77,199	60,085	(17,114)	(22.2)
Ordinary profit	84,330	58,066	(26,264)	(31.1)
Net profit attributable to owners of parent	55,956	45,898	(10,057)	(18.0)

For the fiscal year ended March 31, 2023, operating revenue was 1 trillion 800,668 million yen, up 7,050 million yen from the previous year. This was largely attributable to the increase in parcel delivery volume as a result of capturing demand from the e-commerce domain where growth is continuing, as well as our focus on optimizing logistics for customers.

Operating expenses was 1 trillion 740,583 million yen, up 24,164 million yen from the previous year.

This was due to the increase in costs associated with the promotion of our Medium-term management plan “One YAMATO 2023”, such as the fact that we are still in the process of optimizing transportation and delivery operations between the EC logistics network, which we are building to address the growing EC demand, and in our existing network, in addition to higher hourly wages, fuel unit prices and electricity costs.

As a result, for the fiscal year ended March 31, 2023, operating profit was 60,085 million yen, down 17,114 million yen from the previous year.

Initiatives for the entire Yamato Group

The Yamato Group has been working to stably provide logistics services, including TA-Q-BIN, while paying consideration to hygiene management of our employees. Moreover, based on the Medium-term management plan “One YAMATO 2023”, which aims to provide comprehensive value to address the diversifying needs of customers and society, we have continued to implement the following measures:

① Enhancing value provision to corporate clients

In response to growing EC demand and changes in the supply chain of corporate customers, our Sales Drivers and the sales people covering corporate clients worked together to solve challenges faced by our clients and continue to provide value to cover the entire supply chain, through measures such as making maximum use of our facilities and the transportation & delivery network, achieving both inventory optimization as well as shortening the shipment and delivery lead-time, thereby helping clients optimize their logistics costs.

② Structural reforms of our network operations

In order to address the growing EC demand, we are continuing to build the EC logistics network with a simplified operation process covering sorting, transportation and last-mile deliveries, mainly in the urban areas. In addition, we continued to work on improving productivity of the overall logistics network and optimizing operating costs, by 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, enhancing operational efficiency using IT systems, and improving safety, quality and the work environment.

③ Promoting strategies for achieving sustainable enhancement of corporate value

With the aim of sustainably enhancing our corporate value, we are engaging in initiatives under our Medium-term management plan “One YAMATO 2023” that involves promoting data and innovation strategies, reforming the management structure and reinforcing governance, our HR strategy, improving capital efficiency, and strengthening sustainable management.

As for our digital strategy, we continued to develop digital data and strengthen digital platforms in order to further enhance our use of data. We are also providing services using digital data and improving our operations using digital data.

Meanwhile, we made progress in our innovation strategy with initiatives to promote open innovation, which entails discovering and collaborating with startups, as well as to invest in such startups with the aim of creating new businesses.

As for our HR strategy, we are working to create an environment that maximizes the value created by employees, such as by establishing a multi-track talent management structure, in which employees can take ownership in their own growth, and brings out the best of our diverse range of talent.

We are also working on sophisticating corporate governance, separating management supervision and execution, maintaining and enhancing management transparency, as well as strengthening governance with an emphasis on the speed of our decision-making.

As for strengthening our sustainable management, we are promoting management that considers the environment and society through measures such as connecting people, resources and information at a high level, and making our transportation more efficient, in order to achieve both sustainable growth and sustainable social development, under our two visions 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 terms of the environment, we are promoting measures such as “introducing 20,000 EVs”, “introducing 810 solar power generation facilities” 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 “Carbon neutrality (in-house emissions) in 2050”. In September 2022, we announced our endorsement of the Task Force on Climate-related Financial Disclosures (“TCFD”) and, based on TCFD, disclosed on our corporate website information on the risks and opportunities from climate change that may affect our business activities. Yamato will continue to accelerate its sustainability initiatives including those related to climate change and addressing social issues, thereby promoting sustainable corporate growth.

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. As the starting point of business for the entire Group, 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. It has also been working to provide services that make delivery and pick-up 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 1.5 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 In the fiscal year ended March 2023, we began a service that facilitates the process for corporate clients sending TA-Q-BIN using smartphones, with the aim of further enhancing customer experience, as well as starting the new payment service "Nyan-Pay" which accommodates smartphone payments, in order to promote cashless payments. Moreover, we enhanced functions for when customers make requests on the web for TA-Q-BIN parcels to be picked up, as well as collaborate with flea market operators and operators of parcel lockers in the ground floor lobby areas of condominiums, to allow users to send parcels from parcel lockers without having to interact with anybody, in order to make our services more convenient.
- ③ Operating revenue of the Retail Business Unit from external clients amounted to 894,574 million yen, up 0.1% from the previous fiscal year, as a result of our efforts to provide optimal sending and receiving of parcels in accordance with diversifying needs. Operating expenses increased 5.1% from the previous fiscal year due to the increase in expenses related to the promotion of our Medium-term management plan "One YAMATO 2023", and operating profit declined 12,165 million yen from the previous fiscal year.

● Corporate Business Unit

- ① The Corporate Business Unit provides value across entire corporate logistics supply chains, including the midstream and upstream domains of business. In order to do so, the Unit takes on initiatives that included planning supply chain management (SCM) strategies that contribute to clients' business decisions, above and beyond improving and streamlining logistics operations, and it furthermore engaged in account management, which involved developing effective strategies and assuming responsibility through to management and operation.
- ② In the urban areas where the growing EC demand is concentrated, the Unit has been building an EC logistics network with more simplified operations covering sorting, transportation and last-mile deliveries. To optimize logistics for e-commerce vendors with stores in online shopping malls, we used 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. Moreover, for cross-border EC where demand is growing, we are promoting initiatives to seamlessly link the import and customs-related system and the domestic delivery network, thereby shortening the delivery lead-time.
- ③ For retailers who are developing physical stores and e-commerce omni-channel sales frameworks, the Unit has been promoting efforts to optimize inventory and logistics through centralized management, thereby making clients' inventories in their omni-channel operations more fluid, by combining the consolidated and enlarged business facilities with the transportation and delivery networks. Moreover, we are focusing on making proposals in our sales activities to provide comprehensive value, such as through one-stop management of clients' logistics operations by the Yamato Group, covering the entire process starting from

procuring merchandise for their physical stores as well as their official e-commerce sites, to the storage, packaging and sending of such merchandise.

- ④ In the fiscal year ended March 2023, we signed the “Co-Creation Logistics Partnership Agreement” with a general food manufacturer, with the aim of optimizing the entire supply chain from raw material procurement to sales. We also signed the “Lead Logistics Partner Contract” with a tire maker, to lower total logistics cost by optimizing their logistics and inventory management, enhancing their value proposition to customers, and realizing logistics with a low environmental burden by making visible and reducing GHG emissions. We are continuing to make maximum use of Yamato Group’s management resources, expanding value provision to the “End to End” of supply chains, such as by establishing a D2C (Direct to Consumer) distribution scheme for a food products company, by making use of Yamato Transport’s sorting facilities that have the temperature-control function integrated in them, as well as signing a “Logistics Partnership Contract” with an apparel company in order to build a sustainable supply chain, and sign the “Lead Logistics Partner Contract” to establish a sustainable supply chain that can accommodate changes in the business environment of the restaurant industry.
- ⑤ Operating revenue from customers amounted to 846,053 million yen, up 4.2% from the previous fiscal year, mainly as a result of the Unit tapping the growing e-commerce demand, as well as promoting logistics optimization of corporate clients. Operating expenses increased 3.4% from the previous fiscal year due to factors including the increase in expenses related to the promotion of our Medium-term management plan “One YAMATO 2023”, and operating profit declined 4,040 million yen from the previous fiscal year.

(Reference)

Category	(Million parcels / units)			
	Fiscal year ended March 2022	Fiscal year ended March 2023	Change	Growth (%)
TA-Q-BIN/TA-Q-BIN Compact/EAZY	1,890	1,926	35	1.9
Nekopos	384	413	28	7.4
Kuroneko DM-Bin	824	800	(23)	(2.9)

● **Other**

- ① During the fiscal year ended March 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 60,040 million yen, down 31.8% from the previous year. Operating profit was 13,900 million yen, down 2,658 million yen from the previous year.

ESG Initiatives

- 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 2023, we resumed the “Traffic Safety Class for Children” at kindergartens and elementary schools, which we had suspended due to COVID-19. Moreover, the entire Yamato Group carried out the “Zero Traffic Accidents Campaign” and “Campaign to Prevent Work-related Accidents” in order to improve safety awareness.
- ② For the Yamato Group, enhancing corporate value is one of the most important management priorities, and the Group is engaged in various initiatives to strengthen its management structure, as part of its corporate governance effort. Based on the Group’s corporate philosophy, we conduct business activities in accordance with laws and social norms, and are promoting compliance-based management.
- ③ The Yamato Group has been working to strengthen its sustainable management, by establishing the Sustainable Medium-Term Environmental Plan 2023 and Medium-Term Social Plan 2023, based on our

two visions outlined in the transformation plan “YAMATO NEXT100”; “Connect. Deliver the Future via Green Logistics” and “Through Co-Creation and Fair Business Activities, Help Create a Society That ‘Leaves No One Behind’”.

- ④ Under the “Environmental” component of the Sustainable Medium-Term Environmental Plan 2023 and Medium-Term Social Plan 2023, together with the quantitative targets to lower the environmental burden from our business activities, we have set targets for areas such as materials and vehicles, where the logistics industry can contribute in spreading innovative technologies. The Yamato Group is aiming for green logistics in partnership with our diverse partners, as well as providing products and services with a low environmental burden, thereby creating environmental value. Moreover, as one of the initiatives to achieve carbon neutrality, we are continuing to work on the projects selected in July 2022 by the New Energy and Industrial Technology Development Organization (NEDO): the "Introduction and Operation of EVs for the Realization of Green Delivery," an independent proposal project, and the “Establishment and Large-Scale Trial of an Energy Management System for the Dissemination of Commercial Electric Vehicles," which is a joint project.
- ⑤ Under the “Social” component of the Sustainable Medium-Term Environmental Plan 2023 and Medium-Term Social Plan 2023, the Yamato Group respects the diversity of its people, and established a work environment that brings out the best of employees, addressing various social issues, and creating an enriched society through measures such as promoting regional development through collaborations. We will further contribute to realizing a society that respects human rights and diversity, through the build-up of knowledge to improve universal manners, such as using the “Universal Manner Qualification” for Yamato Group employees to learn about the appropriate way to offer support to disabled customers when receiving and sending parcels from their homes and from the TA-Q-BIN Offices, as well as spreading that knowledge through our employees responsible for facing customers.
- ⑥ 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 March 2023, we signed a logistics partnership contract with a sports organization that aims to coexist as a member of the local community. Going forward, Yamato will utilize its logistics network and management resources as “Official Logistics Partner”, and establish optimal logistics that takes into consideration the appearance of sports facilities as well as the flow of customers in them, thereby contributing to realizing a sustainable local community in which sports facilities are integrated with the city.
- ⑦ 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, providing them with workplaces through the consigned delivery of Kuroneko DM-Bin, and operating job-finding support facilities where they take part in training to acquire skills and knowledge necessary for employment.

(2) Overview of financial position for the fiscal year ended March 31, 2023

Total assets were 1,107,587 million yen as of March 31, 2023, up 20,732 million yen from the end of the previous fiscal year. This was largely attributable to the 13,138 million yen increase in property, plant and equipment due to the opening of new facilities and the acquisition of vehicles, mainly in the Retail Business Unit, as well as the 10,093 million yen increase in deferred tax assets.

Liabilities increased 2,535 million yen to 491,156 million yen from the end of the previous fiscal year. This was largely attributable to a 7,384 million yen increase in lease liabilities, and a 5,000 million yen decrease in short-term borrowings.

Total net assets were 616,430 million yen, up 18,196 million yen from the end of the previous fiscal year. The major factors included Profit attributable to owners of parent being 45,898 million yen, as well as the 16,783 million yen of dividends of surplus and the purchase of 10,001 million yen of treasury shares.

As a result, the equity ratio increased to 55.1% from the 54.3% in the previous fiscal year.

(3) Overview of cash flows for the fiscal year ended March 31, 2023

Net cash generated by operating activities amounted to 89,953 million yen, which is an increase of 37,937 million yen compared with the previous fiscal year. This is largely attributable to a 27,053 million yen increase in accrued consumption taxes and a 25,578 million yen decrease in the payment of income taxes, as well as profit before income taxes being 56,815 million yen, which was a decrease of 24,224 million yen.

Net cash used in investing activities amounted to 49,420 million yen, which is a decrease of 9,522 million yen compared with the previous fiscal year. This is largely attributable to the payment of 7,313 million yen for sale of shares of subsidiaries resulting in change in scope of consolidation in the previous fiscal year, other payments of 7,769 million yen, and payments related to the purchase of property, plant and equipment decreasing by 5,343 million yen, as well as the 13,922 million yen decrease in proceeds from sale of investment securities.

Net cash used in financing activities was 38,617 million yen, which is a decrease of 15,838 million yen compared to the previous fiscal year. This is largely attributable to the 14,000 million yen repayment of long-term borrowings in the previous fiscal year.

As a result of the above, cash and cash equivalents were 183,225 million yen as of March 31, 2023, up 2,621 million yen from the end of the previous fiscal year.

(4) Future outlook

The Yamato Group is operating in a business environment in which the impact from COVID-19 is weakening, and progress has been made towards the normalization of economic activities, but the trend of a slowdown in the global economy has been intensified by factors such as the continuing monetary tightening by major U.S. and European central banks to counter global inflation, including high energy prices and raw material prices remaining high due to the destabilization of global affairs. Furthermore, in Japan, it remains difficult to anticipate a full-fledged economic recovery, with personal consumption being stagnant due to the rise in prices.

Under such circumstances, Yamato Group continue to promote "Structural reform of network operations" and "Expansion of corporate business domain" to realize the sustainable enhancement of corporate value through "helping to enrich our society" as stated in our management philosophy.

For the fiscal year ending March 31, 2024, we will optimize pricing in light of changes in the external environment and promote business structure reforms aimed at sustainable growth.

As for the full-year consolidated earnings forecast, we are forecasting operating revenue of 1 trillion 860 billion yen, operating profit of 80 billion yen, ordinary profit of 81 billion yen and profit attributable to owners of parent of 50 billion yen.

(5) Operational and financial issues to be addressed

The Yamato Group is operating in a business environment in which the impact from COVID-19 is weakening, and progress has been made towards the normalization of economic activities, but the trend of a slowdown in the global economy has been intensified by factors such as the continuing monetary tightening by major U.S. and European central banks to counter global inflation, including high energy prices and raw material prices remaining high due to the destabilization of global affairs. Furthermore, in Japan, it remains difficult to anticipate a full-fledged economic recovery, with personal consumption being stagnant due to the rise in prices. In addition, the logistics industry is having to deal with the medium- to long-term declining trend of the working-age population, while also facing challenges such as the regulation to set a "cap to overtime work (the 2024 issue)", associated with the Workstyle Reform Law which was made public in 2018, as well as the response to climate change. Against this backdrop, the Yamato Group will continue to accelerate the following initiatives to realize the sustainable enhancement of corporate value through "helping to enrich our society" as stated in our management philosophy.

In order to address the continuous rise in costs due to factors such as the abovementioned issues faced by the logistics industry as well as inflation, Yamato Group has revised the reported fares from April 3, 2023. We will review the reported fares every year reflecting the impact of the external environment, while responding to our logistics partners etc. in a timely and appropriate manner, thereby maintaining and strengthening our transportation & delivery network, as well as establishing an environment in which we can continue to provide high-quality services to our customers.

① Structural reform of network operations

In order to address the changing and diversifying needs of customers, as well as achieve higher flexibility depending on the workload at the time, we are promoting a structural reform of our network operations. With the aim of maintaining and enhancing the safety and quality of the existing TA-Q-BIN network and operations, as well as securing a good work environment and the motivation of our employees, while also optimizing operating costs, we will subdivide and specialize our job definitions, allocate human resources appropriately based on their roles, while also consolidating and enlarging our facilities, and improving the efficiency of work operations through the use of IT systems. Moreover, in order to reduce the administrative operations of our frontline employees, we will continue to promote business process re-engineering (BPR) by standardizing our operations as well as digitizing such tasks.

② Expansion of corporate business domain

Various risk factors are 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. Under these circumstances, we are positioning the solution business, in which we seek to solve challenges faced by our clients throughout the entire supply chain, as a new growth area to focus on.

In providing solutions, our sales and operations teams will work together, and based on a deep understanding of our clients' industry, as well as their business objectives and strategies, we will make maximum use of Yamato Group's management resources including our facilities and transportation & delivery network in Japan and overseas, our logistics functions including contract logistics and global forwarding, as well as our finance and IT systems. We are aiming not only to manage and operate our clients' logistics, but to become their LLP (Lead Logistics Partner), involved in setting strategies and plans for their logistics. Based on our intensive client base built so far through the TA-Q-BIN business, we will create optimal proposals based on sales information that is consolidated to our headquarters, facilitating frontline sales initiatives as well as sophisticating our solutions and operational design, providing value to clients across the entire supply chain which stems from Japan to overseas, by streamlining backyard operations related to stores and e-commerce operations, reducing opportunity loss in sales and optimizing inventories.

Moreover, with the aim of achieving carbon neutrality in 2050, we will promote green logistics, including the introduction of EVs and temperature-controlled transportation that does not use dry ice, which will reduce our own emissions, while also making the GHG emissions of our clients more visible, and building a supply chain with a lower environmental burden, thereby optimizing the inventory held by clients as well as their production activity, and reducing our clients' GHG emissions, contributing to establishing sustainable logistics.

③ Promoting strategies for achieving sustainable enhancement of corporate value

The Yamato Group is working on its digital strategy, HR strategy, and strengthening its sustainable management as well as governance, to build the foundation for expanding our value provision to the “End to End” of supply chains, and realizing sustainable corporate value enhancement.

As for our digital strategy, we are strengthening our DX promotion structure, and working to promote DX that is integrated with our businesses, such as enhancing value provision to clients using the digital platform, as well as the optimization of management resources. Our HR strategy is aimed at building the optimal talent portfolio to create new value-add, and to improve the work environment and motivation of our diverse range of employees.

In enhancing our sustainable management, we are working on each of the materialities that we have specified, based on our 2 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, we will continue to promote measures such as “introducing 20,000 EVs”, “introducing 810 solar power generation facilities” and “raising the usage rate of renewable energy-based electricity”, 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, 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 regional development through co-creation, in order to realize a prosperous society.

In enhancing our governance, we will strengthen corporate governance by separating management supervision and execution, and maintaining and enhancing management transparency, and promote structural reforms through a governance structure with an emphasis on the speed of decision-making.

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, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	182,644	185,373
Notes and accounts receivable – trade, and contract assets	218,922	216,251
Accounts receivable - installment	48,055	50,509
Merchandise and finished goods	186	168
Work in process	167	322
Raw materials and supplies	1,861	2,089
Other	30,462	31,406
Allowance for doubtful accounts	(1,456)	(1,474)
Total current assets	480,844	484,647
Non-current assets		
Property, plant and equipment		
Buildings and structures	376,844	381,218
Accumulated depreciation	(219,830)	(227,735)
Buildings and structures, net	157,013	153,483
Machinery and equipment	77,631	77,642
Accumulated depreciation	(56,029)	(58,689)
Machinery and equipment, net	21,601	18,953
Vehicles	197,104	196,140
Accumulated depreciation	(171,897)	(165,934)
Vehicles, net	25,207	30,205
Land	179,650	179,811
Leased assets	39,653	47,257
Accumulated depreciation	(11,286)	(13,110)
Leased assets, net	28,366	34,146
Construction in progress	3,165	12,379
Other	59,988	61,173
Accumulated depreciation	(45,114)	(47,136)
Other, net	14,873	14,037
Total property, plant and equipment	429,878	443,017
Intangible assets		
Software	38,588	38,149
Other	7,058	5,609
Total intangible assets	45,646	43,759

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Investments and other assets		
Investment securities	47,972	42,758
Long-term loans receivable	6,162	5,258
Leasehold deposits	20,519	22,317
Retirement benefit asset	15	20
Deferred tax assets	54,197	64,291
Other	3,229	3,513
Allowance for doubtful accounts	(1,611)	(1,996)
Total investments and other assets	130,484	136,163
Total non-current assets	606,010	622,940
Total assets	1,086,854	1,107,587
Liabilities		
Current liabilities		
Notes and accounts payable - trade	165,346	160,766
Short-term borrowings	15,000	10,000
Lease liabilities	4,850	5,415
Income taxes payable	14,395	16,911
Deferred installment income	4,714	4,797
Provision for bonuses	38,942	36,918
Other	109,558	109,949
Total current liabilities	352,807	344,758
Non-current liabilities		
Lease liabilities	26,038	32,858
Deferred tax liabilities	1,913	482
Retirement benefit liability	94,141	98,295
Provision for share awards for directors (and other officers)	—	162
Other	13,719	14,599
Total non-current liabilities	135,814	146,398
Total liabilities	488,621	491,156

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Net assets		
Shareholders' equity		
Share capital	127,234	127,234
Capital surplus	36,813	36,839
Retained earnings	464,494	473,891
Treasury shares	(49,551)	(39,835)
Total shareholders' equity	578,991	598,130
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,498	9,280
Foreign currency translation adjustment	(513)	1,781
Remeasurements of defined benefit plans	565	1,188
Total accumulated other comprehensive income	11,551	12,250
Non-controlling interests	7,690	6,049
Total net assets	598,233	616,430
Total liabilities and net assets	1,086,854	1,107,587

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Operating revenue	1,793,618	1,800,668
Operating costs	1,654,085	1,687,241
Operating gross profit	139,532	113,426
Selling, general and administrative expenses		
Personnel expenses	27,498	26,046
Provision for bonuses	1,084	1,077
Retirement benefit expenses	711	1,190
Provision for share awards for directors (and other officers)	—	162
Commission expenses	10,895	9,364
Taxes and dues	10,133	9,399
Provision of allowance for doubtful accounts	815	677
Depreciation	2,529	2,494
Other	10,460	5,359
Total selling, general and administrative expenses	62,333	53,341
Operating profit	77,199	60,085
Non-operating income		
Interest income	192	245
Dividend income	1,369	1,669
Gain on sales of vehicles	355	298
Rental income	246	434
Gain on investments in investment partnerships	4,510	—
Other	1,943	1,537
Total non-operating income	8,618	4,184
Non-operating expenses		
Interest expenses	785	904
Share of loss of entities accounted for using equity method	242	4,158
Other	459	1,140
Total non-operating expenses	1,487	6,203
Ordinary profit	84,330	58,066
Extraordinary income		
Gain on sales of non-current assets	3	95
Gain on sales of investment securities	15,312	1,970
Penalty income	55	125
Gain on liquidation of subsidiary	1,210	—
Gain on transition of retirement benefit plan	1,419	—
Other	37	15
Total extraordinary income	18,038	2,207

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Extraordinary losses		
Loss on retirement of non-current assets	360	499
Impairment loss	2,420	1,994
Loss on sale of investment securities	3,104	4
Loss on valuation of investment securities	48	2
Dismantlement expenses	—	753
Provision of allowance for doubtful accounts	190	182
Loss on revision of retirement benefit plan	14,999	—
Other	206	21
Total extraordinary losses	21,328	3,458
Profit before income taxes	81,040	56,815
Income taxes-current	29,293	23,017
Income taxes-deferred	(5,324)	(11,623)
Total income taxes	23,968	11,393
Profit	57,071	45,421
Profit (loss) attributable to non-controlling interests	1,115	(476)
Profit attributable to owners of parent	55,956	45,898

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	57,071	45,421
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,415)	(2,222)
Foreign currency translation adjustment	793	2,292
Remeasurements of defined benefit plans, net of tax	(5,282)	677
Share of other comprehensive income of entities accounted for using equity method	108	(54)
Total other comprehensive income	(9,795)	692
Comprehensive income	47,276	46,114
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	47,210	46,597
Comprehensive income attributable to non-controlling interests	66	(483)

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2022

(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	431,571	(39,549)	556,070
Cumulative effects of changes in accounting policies			(3,343)		(3,343)
Restated balance	127,234	36,813	428,228	(39,549)	552,727
Changes during period					
Dividends of surplus			(19,689)		(19,689)
Profit attributable to owners of parent			55,956		55,956
Purchase of treasury shares				(10,002)	(10,002)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	-	0	36,266	(10,002)	26,263
Balance at end of period	127,234	36,813	464,494	(49,551)	578,991

	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	15,883	(1,316)	5,730	20,297	7,919	584,287
Cumulative effects of changes in accounting policies					(229)	(3,572)
Restated balance	15,883	(1,316)	5,730	20,297	7,689	580,714
Changes during period						
Dividends of surplus						(19,689)
Profit attributable to owners of parent						55,956
Purchase of treasury shares						(10,002)
Disposal of treasury shares						0
Net changes in items other than shareholders' equity	(4,384)	803	(5,164)	(8,745)	1	(8,744)
Total changes during period	(4,384)	803	(5,164)	(8,745)	1	17,519
Balance at end of period	11,498	(513)	565	11,551	7,690	598,233

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

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	81,040	56,815
Depreciation	35,570	41,626
Impairment loss	2,420	1,994
Increase (decrease) in retirement benefit liability	21,822	4,633
Increase (decrease) in provision for bonuses	(757)	(2,056)
Interest and dividend income	(1,561)	(1,914)
Interest expenses	785	904
Share of loss (profit) of entities accounted for using equity method	242	4,158
Loss (gain) on sales of non-current assets	0	(94)
Loss on retirement of non-current assets	360	499
Loss (gain) on sales of investment securities	(12,208)	(1,965)
Loss (gain) on valuation of investment securities	48	2
Decrease (increase) in trade receivables	(13,433)	1,234
Decrease (increase) in inventories	144	(356)
Increase (decrease) in trade payables	11,536	(5,259)
Other, net	(28,261)	9,845
Subtotal	97,748	110,066
Interest and dividends received	1,784	1,948
Interest paid	(778)	(900)
Income taxes paid	(46,738)	(21,160)
Net cash provided by (used in) operating activities	52,016	89,953
Cash flows from investing activities		
Payments into time deposits	(2,040)	(4,107)
Proceeds from withdrawal of time deposits	270	4,107
Purchase of property, plant and equipment	(40,778)	(35,435)
Proceeds from sales of property, plant and equipment	348	1,391
Purchase of investment securities	(5,690)	(1,751)
Proceeds from sales of investment securities	18,872	4,950
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(7,313)	—
Loan advances	(5,574)	(3,191)
Proceeds from collection of loans receivable	6,556	3,930
Other payments	(27,945)	(20,175)
Other proceeds	4,351	862
Net cash provided by (used in) investing activities	(58,943)	(49,420)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,000)	(5,000)
Repayments of lease liabilities	(5,662)	(5,689)
Repayments of long-term borrowings	(14,000)	-
Purchase of treasury shares	(10,057)	(10,025)
Dividends paid	(19,670)	(16,770)
Dividends paid to non-controlling interests	(70)	(380)
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	5	7
Net cash provided by (used in) financing activities	(54,456)	(38,617)
Effect of exchange rate change on cash and cash equivalents	701	705
Net increase (decrease) in cash and cash equivalents	(60,681)	2,621
Cash and cash equivalents at beginning of period	241,284	180,603
Cash and cash equivalents at end of period	180,603	183,225

(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: 29

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, Yamato Web Solutions Co., Ltd. has been excluded from the scope of consolidation given that it has ceased to exist as a result of an absorption-type merger in which Yamato System Development Co., Ltd. is the surviving company.

(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: 24

Names of major equity method affiliates:

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

Effective from the fiscal year under review, Sweetmag Solutions (M) Sdn. Bhd. and another company have been included in the scope of the equity method, 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, 2022

(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	893,396	812,185	88,035	1,793,618	–	1,793,618
Inter-segment operating revenue or transfers	279,017	26,090	121,163	426,271	(426,271)	–
Total	1,172,414	838,276	209,198	2,219,889	(426,271)	1,793,618
Segment profit (loss)	44,463	17,178	16,559	78,200	(1,001)	77,199
Segment assets (Note 4)	749,717	194,571	156,572	1,100,861	(14,006)	1,086,854
Others						
Depreciation	17,538	13,264	3,811	34,615	909	35,524
Investment in entities accounted for using equity method	630	6,667	–	7,298	5,661	12,959
Increases of property, plant and equipment and intangible assets (Note 4)	56,586	12,066	7,245	75,898	2,673	78,572

Notes: 1. Other includes Yamato Home Convenience Co., Ltd. (lifestyle support services), 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 negative 1,001 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 10,384 million yen, as well as eliminations of transactions among segments of 9,382 million yen.

(2) The adjustment of negative 14,006 million yen of segment assets includes eliminations of inter-segment receivables and payables, etc. of negative 108,626 million yen and group-wide assets of 94,619 million yen not allocated to each reportable segment.

(3) The adjustment of 5,661 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 2,673 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 524,780 million yen of segment assets of the Transport Department and Headquarter of Yamato Transport Co., Ltd., as well as the 36,936 million yen increase in its plant and equipment and intangible assets.

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.

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

Fiscal year ended March 31, 2022

(Millions of yen)

	Retail Business Unit	Corporate Business Unit	Other	Total	Corporate or eliminations	Consolidated
Impairment loss	–	700	1,719	2,420	–	2,420

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

(Per share information)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net assets per share (Yen)	1,611.34	1,684.87
Basic earnings per share (Yen)	151.03	126.64

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 483,000 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 483,000 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, 2022	Fiscal year ended March 31, 2023
Profit attributable to owners of parent (Millions of yen)	55,956	45,898
Amount not belonging to ordinary shareholders (Millions of yen)	–	–
Profit attributable to owners of parent concerning common shares (Millions of yen)	55,956	45,898
Average number of common shares during the period (Thousands of shares)	370,487	362,445

(Important subsequent matters)

Purchase and cancellation of treasury shares

At its meeting held on May 10, 2023, the Board of Directors resolved matters related to the purchase of treasury shares of the Company in accordance with the provisions of the Articles of Incorporation, pursuant to Article 459, paragraph (1), item (i) of the Companies Act, and also resolved cancellation of treasury shares of the Company in accordance with the provisions of Article 178 of the Companies Act.

1. Reason of purchase and cancellation of treasury shares

The Company purchases and cancels its treasury shares to improve capital efficiency and enhance shareholder returns.

2. Content of matters related to the purchase of treasury shares

Type of shares to be purchased	Common shares of the Company
Total number of shares to be purchased	Up to 22,000,000 shares (Ratio to the total number of issued shares (excluding treasury shares): 6.06%) (Note) The aforementioned treasury shares do not include the Company's shares held by BBT (Board Benefit Trust).
Total acquisition price of shares to be purchased	Up to 50.0 billion yen
Acquisition period	From May 17, 2023 to February 29, 2024
Acquisition method	Through the market

3. Content of cancellation of treasury shares

Type of shares to be cancelled	Common shares of the Company
Total number of shares to be cancelled	All of the treasury shares to be purchased through 2. above
Scheduled date of share cancellation	March 29, 2024

4. Others

Operating revenue by segment

Business segment	Income	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023		Change (%)
		Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	
Retail Business Unit	Transportation income	1,144,359	63.8	1,191,264	66.2	4.1
	Logistical support income	3,587	0.2	3,352	0.2	(6.6)
	Others	28,183	1.6	25,858	1.4	(8.3)
	Eliminations	(282,733)	(15.8)	(325,901)	(18.1)	15.3
	Total	893,396	49.8	894,574	49.7	0.1
Corporate Business Unit	Transportation income	598,306	33.4	617,221	34.3	3.2
	Logistical support income	249,637	13.9	259,525	14.4	4.0
	Other	33,022	1.8	33,357	1.9	1.0
	Eliminations	(68,780)	(3.8)	(64,051)	(3.6)	(6.9)
	Total	812,185	45.3	846,053	47.0	4.2
Other	Transportation income	50,967	2.8	24,616	1.4	(51.7)
	Other	176,558	9.8	155,187	8.6	(12.1)
	Eliminations	(139,490)	(7.8)	(119,763)	(6.7)	(14.1)
	Total	88,035	4.9	60,040	3.3	(31.8)
Total		1,793,618	100.0	1,800,668	100.0	0.4