

Consolidated Financial Results for the Year Ended March 31, 2015 <under Japanese GAAP>

Company name: Yamato Holdings Co., Ltd.
 Listing: Tokyo Stock Exchange
 Stock code: 9064
 URL: <http://www.yamato-hd.co.jp/>
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Scheduled date of the ordinary general meeting of shareholders: June 23, 2015

Scheduled date of the commencement of dividend payment: June 2, 2015

Scheduled date of the submission of annual securities report: June 19, 2015

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 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the year ended March 31, 2015	1,396,708	1.6	68,947	9.3	70,889	9.6	37,533	7.9
March 31, 2014	1,374,610	7.2	63,096	(4.7)	64,664	(4.9)	34,776	(1.0)

(Note) Comprehensive income: For the year ended March 31, 2015: 46,243 million yen (17.9 %)

For the year ended March 31, 2014: 39,225 million yen (0.7 %)

	Net income per share	Net income per share - fully diluted	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to operating revenue
	Yen	Yen	%	%	%
For the year ended March 31, 2015	90.41	88.26	6.7	6.7	4.9
March 31, 2014	82.22	80.18	6.4	6.5	4.6

(Reference) Equity in earnings of affiliates: For the year ended March 31, 2015: — million yen

For the year ended March 31, 2014: — million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2015	1,082,531	571,199	52.2	1,368.66
March 31, 2014	1,032,134	560,172	53.4	1,316.12

(Reference) Equity: As of March 31, 2015: 565,521 million yen As of March 31, 2014: 551,379 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
	Millions of yen	Millions of yen	Millions of yen	Millions of Yen
For the year ended March 31, 2015	92,620	(58,485)	(7,168)	247,051
March 31, 2014	80,075	(64,935)	(9,033)	219,395

2. Dividends

	Annual dividends					Total annual dividends	Payout ratio (consolidated)	Dividends on equity (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2014	—	12.00	—	12.00	24.00	10,111	29.2	1.9
Fiscal 2015	—	12.00	—	13.00	25.00	10,409	27.7	1.9
Fiscal 2016 (Forecast)	—	13.00	—	13.00	26.00		25.2	

3. Consolidated earnings forecasts for fiscal year 2016 (from April 1, 2015 to March 31, 2016)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year	689,000	2.3	22,000	3.4	22,500	0.8	12,500	2.9	30.06
Full year	1,430,000	2.4	72,000	4.4	73,000	3.0	43,000	14.6	103.09

* 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.: Yes
- b. Changes other than a: Yes
- c. Changes in accounting estimates: None
- d. Restatement: None

(Note) For details, please see "Changes in accounting policies" of the attached materials to the financial results report on page 28.

(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, 2015: 435,564,792 shares

As of March 31, 2014: 454,684,992 shares

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

As of March 31, 2015: 22,370,985 shares

As of March 31, 2014: 35,742,057 shares

c. Average number of shares during the period

For the year ended March 31, 2015: 415,131,038 shares

For the year ended March 31, 2014: 422,941,014 shares

(Note) For details of the number of shares used to calculate consolidated net income per share, please refer to "Per Share Information" on page 48.

(Reference) Overview of non-consolidated financial results**1. Non-consolidated financial results for fiscal year 2015 (from April 1, 2014 to March 31, 2015)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Net income	
For the year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2015	27,756	(4.9)	23,071	(5.5)	24,415	(3.7)	18,632	(10.4)
March 31, 2014	29,197	28.6	24,407	32.8	25,343	32.1	20,791	66.4

	Net income per share	Net income per share - fully diluted
For the year ended	Yen	Yen
March 31, 2015	44.88	43.82
March 31, 2014	49.16	47.94

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2015	527,627	378,122	71.7	915.12
March 31, 2014	489,597	383,650	78.4	915.76

(Reference) Equity: As of March 31, 2015: 378,122 million yen As of March 31, 2014: 383,650 million yen

*** Indication regarding execution of audit procedures**

At the time of the disclosure of this financial results report, the audit procedures in accordance with the Financial Instruments and Exchange Act are in progress.

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

- Descriptions of the above financial projections and other data are based on information currently available to the Company and certain assumptions that we consider to be reasonable. Actual financial results may differ significantly from the projections for various reasons. For points to note when using such assumptions and financial projections, please see "Analysis of operating results and financial position".
- The Company plans to hold a financial results meeting for analysts on May 1, 2015. The materials distributed at this financial results meeting shall be posted on the Company's website after the meeting has been held.

Attached Materials

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1. Analysis of Operating Results and Financial Position

(1) Analysis of operating results

In the fiscal year ended March 31, 2015, despite a visible trend toward improvement in the overall economic environment in Japan amid improvement in corporate earnings, lagging recovery in personal consumption was evident given the post-consumption tax hike pull-back in demand, rising prices in step with the weakening yen, and other factors. Moreover, the Yamato Group also faced harsh operating circumstances as tight labor market conditions persisted. Operating in this environment, we worked toward achieving the objectives of the Long-Term Management Plan “DAN-TOTSU Management Plan 2019” and the Medium-Term Management Plan “DAN-TOTSU Three-Year Plan STEP.” To that end, we focused our efforts on taking steps to create a business model for generating a high level of added value while pursuing greater sophistication of our existing businesses, by fusing logistics networks that have been developed and business resources of individual Group companies.

In the Delivery Business, delivery volumes were sluggish due in part to stagnating personal consumption and the effect of surging demand ahead of the consumption tax hike in the previous fiscal year. Nevertheless, revenue increased amid gains in TA-Q-BIN unit prices as a result of our efforts to promote collection of adequate fees. With respect to profits, income also increased due to factors that included thorough cost management in line with operating volumes encompassing personnel expenses, costs of outsourcing work, and other expenditures.

In the non-delivery businesses, we took steps to expand our existing service offerings by enlisting the strengths of Group companies, while also drawing on Group-wide ties as we continued to aggressively pursue solution sales geared toward addressing customers’ business challenges.

Our consolidated financial results for the fiscal year ended March 31, 2015 were as follows.

(Millions of yen)				
Item	Fiscal 2014	Fiscal 2015	Change	Growth (%)
Operating revenue	1,374,610	1,396,708	22,098	1.6
Operating income	63,096	68,947	5,850	9.3
Ordinary income	64,664	70,889	6,225	9.6
Net income	34,776	37,533	2,757	7.9

During the fiscal year ended March 31, 2015, we purchased treasury shares of 11.96 million shares, for a total acquisition cost of about 30.0 billion yen, and retired 19.12 million shares of treasury shares as a measure for shareholder return, based on a resolution passed at the Board of Directors meeting on October 30, 2014.

Initiatives for the entire Yamato Group

- a. The Yamato Group has been pursuing its “Value Networking” design, on the basis of creating business models for generating a high level of added value through the combined efforts of our respective businesses, while at the same time contributing to growth strategies for the Japanese economy. Meanwhile, we are also taking steps to forge a robust corporate culture that acts as a foundation for business creation and development.
- b. To further promote our “Value Networking” design, we have been drawing on alliances with Group companies in promoting solution sales, and crafting business models that deliver a high level of added value by leveraging our business network. Also, to address varied customer needs in Japan and overseas, we have been making more effective use of our innovative network platform consisting of the “Haneda Chronogate,” “Atsugi Gateway” and “Okinawa International Logistics Hub” facilities, in addition to our existing “last mile” network.
- c. We continued to drive initiatives geared toward forging a more robust corporate culture. To that end, we worked on enhancing the efficiency and dependability of operations, in part by improving our transport systems and by using our information technology network to enable visual monitoring of operating volumes. In addition, we redoubled our employee education efforts and focused on building systems for

ensuring that we honor promises made to our customers. Moreover, we actively engaged in CSR-related activities linked to Yamato Group business endeavors, such as through environmental and safety measures, and efforts to prosper communities.

- d. With respect to initiatives geared toward overseas markets, we have been expanding the nations where we do business by establishing local subsidiaries in Mexico and Vietnam, while also actively working to expand our networks through efforts that include launching sales of our “International Cool TA-Q-BIN” services for deliveries to Hong Kong, followed by deliveries to Taiwan.
- e. We have been taking aggressive action to reduce costs through efforts that include implementing thorough controls on costs linked to operating volumes and also pursuing measures to improve productivity, amid a deteriorating external cost environment marked by a tightening labor market.

Summary of each operating segment

● Delivery

The delivery volumes of TA-Q-BIN and Kuroneko Mail services are as follows.

Category	Fiscal 2014	Fiscal 2015	Change	(Million parcels/units)
				Growth (%)
TA-Q-BIN	1,665	1,622	(43)	(2.6)
Kuroneko Mail	2,084	1,901	(183)	(8.8)

- a. In the Delivery Business, the Yamato Group concentrated on TA-Q-BIN-centered business development, aiming to provide infrastructure that best suits our customers and contribute to enriching people's lives.
- b. We have been working to address our failure to fully implement in-house rules for the “Cool TA-Q-BIN” delivery service, which came to light in October 2013. To that end, we have established a division with full-time employees dedicated to the task of maintaining and improving service quality. We have also been working to upgrade systems, thereby bringing in the necessary equipment and supplies and making it possible to visually monitor operating volumes through enhancements to our IT platform. During the fiscal year ended March 31, 2015, these actions enabled us to maintain high quality service. Going forward, we will redouble our efforts to ensure better quality results, without fail, at a level that earns the trust of our customers.
- c. For our individual customers, we have been developing a range of services geared toward customers of the “Kuroneko Members” service. In the fiscal year ended March 31, 2015, we took steps to upgrade and expand our “TA-Q-BIN Pick-Up Location Selection Service” which offers our customers the option of picking up merchandise they have purchased online at either a Yamato Transport Co., Ltd. delivery depot or convenience store. We maintained favorable results with respect to customer use of Yamato Transport Co., Ltd.’s proprietary “Kuroneko Member Discount” service which offers TA-Q-BIN discount pricing through easy settlement of payments using e-money cards.
- d. With respect to corporate clients, we have been actively pursuing sales activities geared toward bringing about greater use of various services that provide high added value beyond TA-Q-BIN shipping. In addition, we continued to undertake initiatives for ensuring collection of adequate fees for the task of providing consistent quality with respect to TA-Q-BIN deliveries. Also, during the fiscal year ended March 31, 2015, the Yamato Group actively developed its “building and town management services” which centralize pickup and delivery within large commercial facilities and large multi-function complexes, thereby enabling us to generate new orders for business involving such operations in various regions nationwide.
- e. Efforts in our business geared toward revitalizing communities have involved various initiatives to address locally-based hardships and challenges. For instance, we are working in collaboration with municipalities and other entities in providing support with regard to watching over elderly residents, helping those living in remote areas who face difficulties doing their shopping, and providing support in expanding sales channels for local products. Additionally, we have been developing services that provide greater convenience to people traveling in Japan accessing train stations and airports. Our service offerings in this area include temporary safekeeping of personal baggage and same-day baggage delivery to lodging facilities using our transportation network.
- f. During the fiscal year ended March 31, 2015, we discontinued our Kuroneko Mail service to eliminate risks posed to customers of potentially incurring penalties when shipping parcels, given prevailing legal ambiguities with respect to the postal mail “correspondence” designation. Also, we announced we would

launch our new “Kuroneko DM-Bin” service on April 1, 2015, which takes the place of the discontinued Kuroneko Mail service. We also announced that in conjunction with that, we would launch two services on April 1, 2015, “TA-Q-BIN Compact” and “Nekopos,” for enabling simple deliveries of small parcels at reasonable fees in response to such needs in the growing mail-order market.

- g. Operating revenue amounted to 1,101,438 million yen, up 0.2% from the year-ago period as a result of better TA-Q-BIN unit pricing in part due to our ongoing efforts in promoting collection of adequate fees. Meanwhile, operating income was 39,205 million yen, up 9.6% from the year-ago period as a result of cost control initiatives which included pursuing efforts to keep costs in line with operating volumes and creating optimal designs for pickup and delivery operations and transportation systems.

● BIZ-Logistics

- a. In the BIZ-Logistics Business, the Yamato Group is providing customers with innovative logistics systems by combining management resources such as the TA-Q-BIN network with logistics functions, maintenance and recall handling functions, cleansing functions for medical devices and international transportation functions.
- b. We have been expanding the Yamato Group's services for the mail-order industry into wide ranging offerings designed to address customer demands. Such services include support for placing and accepting orders, services for visually monitoring inventories and even assistance with shipments. In the fiscal year ended March 31, 2015, we increased revenues as a result of gaining new business for such services while growing sales to existing customers.
- c. With respect to our services that involve handling product maintenance and recalls, we have been developing integrated services where we handle collection, repairs and returns of faulty products, while also expanding total support services for dealing with corporate product recalls and product collection. In the fiscal year ended March 31, 2015, revenues increased steadily partially as a result of having achieved favorable results with respect to use of our integrated repair services, and landing new business involving product recalls.
- d. For medical service providers, we have been developing medical device loaner support (storage, cleaning and delivery) and other services that help revolutionize logistics operations. During the fiscal year ended March 31, 2015, we generated higher revenues in this area through active efforts to develop such business, including the launch of new logistics center operations in the Haneda Chronogate facility for a major foreign-owned medical device manufacturer.
- e. Operating revenue amounted to 103,821 million yen, up 15.0% from the year-ago period mainly due to firm results with mail-order services and services that involve handling product maintenance and recalls. Operating income was 4,682 million yen, up 37.6% from the year-ago period.

● Home Convenience

- a. In the Home Convenience Business, we are working toward enabling customers to achieve greater convenience and comfort in their lives through lifetime lifestyle support businesses and corporate enterprise support business that draw on the Yamato Group's nationwide network.
- b. With respect to individual customers, the Yamato Group operated a variety of services to assist in daily life such as the “Raku Raku Household TA-Q-BIN” service for delivering large furniture items and home appliances and moving-related services. In the fiscal year ended March 31, 2015, we actively pursued sales activities, which included stepping up campaigns promoting our existing services while also engaging in nationwide sales of our “Comfortable Lifestyle Support Service” which helps resolve everyday inconveniences involving house cleaning and collection of unwanted items. In addition, we continued pushing forward in promoting our traveling sales services where we offer furniture and household electrical appliances to customers in remote areas.
- c. For our corporate clients, we have been developing business support services mainly geared toward corporations, including office relocation services and our “Technical Network Business” where the Yamato Group and our construction and installation contractors combine networks so that we can provide one-stop support handling everything from household equipment delivery and set-up, to installation and maintenance of such equipment. In the fiscal year ended March 31, 2015, we actively pursued sales activities for our “Technical Network Business,” thereby achieving far greater customer use of those services.

- d. Operating revenue amounted to 48,475 million yen, down 0.5% from the year-ago period despite aggressive sales activities in areas such as our “Comfortable Lifestyle Support Service” and our “Technical Network Business,” due to a decrease in delivery volumes of consumer durables such as furniture and home appliances in part as a result of a pullback in demand following the consumption tax hike. Operating income was 613 million yen, up 181.9% from the year-ago period, partially as a result of stringent cost management involving personnel-related expenses and other outlay, as well as productivity gains.

● **e-Business**

- a. In the e-Business, the Yamato Group helps customers streamline their business processes and solve potential issues by proactively conducting solution platform business that combine logistics technology and financial technology with information technology.
- b. With respect to services for assisting with order-acceptance and dispatching operations, the Yamato Group provides a “Web-based Shipment Control” that comprehensively supports such operations as dispatch information processing, printing of delivery slips, and freight tracking. In the fiscal year ended March 31, 2015, service-use results were favorable, particularly among clients in the mail-order market who ship packages from multiple remote locations.
- c. The Yamato Group has been developing services for customers whose needs involve managing products on an individual basis, such that combine serial acceptance/dispatch control in warehouses, inventory tracking and other information-related services with services involving affixing data to products and partial processing of merchandise. In the fiscal year ended March 31, 2015, revenues increased steadily as use from telecommunications equipment-related services customers increased.
- d. For municipal governments, we have been actively developing services designed to lighten administrative workloads while helping to improve public services. For instance, we are now offering “Furusato Tax Program Total Support Service” and “Online Account Transfer Acceptance Service” that facilitates bank transfers for taxes and insurance premiums.
- e. Operating revenue amounted to 40,486 million yen, down 0.8% from the year-ago period despite steady results with orders, due to factors such as a pullback in demand in IT-related investment associated with the consumption tax hike, and changes in scheduled delivery dates. Operating income was 7,756 million yen, down 3.7% from the year-ago period due in part to increased expenses associated with setting up new offices.

● **Financial**

- a. In the Financial Business, the Yamato Group has been developing settlement and financial services tailored to a range of customer needs for payment collection on mail-order product deliveries, B2B transaction settlement, and vehicle leasing.
- b. With respect to payment settlement services, in addition to providing our mainstay product “TA-Q-BIN Collect,” we also promoted increased customer use of both our “Kuroneko Web Collect” comprehensive internet-based transaction settlement service and our e-money settlement services provided in conjunction with our e-Business operations. In the fiscal year ended March 31, 2015, we actively developed business through efforts that included further expanding capabilities of “Kuroneko Web Collect” by upgrading the service and pursuing alliances with e-commerce website design firms. With respect to e-money related services, we achieved increases both in numbers of e-money transactions and cash values of transactions. This was partially due to greater sales in rental services involving our “Multi e-money Settlement Terminals,” through which full-scale sales started during the fiscal year ended March 31, 2015.
- c. In the lease services business, there was growth in numbers of contracts and the amount of assets amid continuous efforts to propose solutions on the basis of extensive assessments of customer needs particularly with respect to leases of previously-owned cars. Moreover, we generated increased revenues as a result of accepting operating lease applications for high-quality vehicles from a broad base of customers including companies in transportation and food businesses, premised on the condition that they purchase or re-use the vehicles after their leases expire.
- d. Operating revenue amounted to 66,658 million yen, up 6.3% from the year-ago period, mainly owing to an increase in contracts for truck leases in the lease services business. Meanwhile, operating

income was 8,918 million yen, down 5.2% from the year-ago period due in part to a decrease in “TA-Q-BIN Collect” delivery volumes stemming from factors such as lagging recovery in personal consumption.

● **Autoworks**

- a. In the Autoworks Business, the Yamato Group develops its “24-hour-a-day, 365-day-a-year service that enables customers to service their vehicles without stopping operation,” thereby providing value to logistics operations and logistics service providers primarily in the form of “vehicle maintenance convenience,” “ensuring compliance with statutory vehicle inspections,” and “reduced maintenance expenses.” Furthermore, to better provide one-stop service solutions geared toward customer business operations, we have added services for “maintaining and safeguarding logistics facilities and equipment, and improving such workplace environments,” along with “insurance agency services where we offer risk management-related insurance plans tailored to customer needs.”
- b. In the fiscal year ended March 31, 2015, the Yamato Group steadily increased the number of vehicles serviced partially as a result of the strong performance of the “Maintenance Package,” which evens out the monthly vehicle maintenance expenses along with moves to better differentiate ourselves from our competitors by expanding content of our “Repairworks” services entailing periodic on-site customer visits.
- c. Operating revenue amounted to 27,153 million yen, up 5.9% from the year-ago period due to favorable results from the mainstay truck maintenance and other services. Operating income was 3,733 million yen, up 14.1% from the year-ago period.

● **Other**

- a. The “JITBOX Charter service” provides transportation by transport box. The service takes advantage of its network consisting of multiple companies and provides added value to customers through timely delivery and frequent, right-volume delivery. In the fiscal year ended March 31, 2015, the service generated increased revenues partially as a result of developing information systems and improving service quality, and also due to favorable results from existing service offerings.
- b. Operating income in Other excluding dividends which Yamato Holdings Co., Ltd. received from the Group companies increased 65.2% from the year-ago period to 1,577 million yen.

CSR Initiatives

- a. The Yamato Group places utmost priority on protecting human life and conducts a range of safety measures. In the fiscal year ended March 31, 2015, a total of more than 2.58 million children have now participated in the “Safety Classes for Children” that the Group has continuously conducted in elementary schools, etc. across Japan. Moreover, we engaged in a range of Group-wide initiatives geared toward raising safety awareness and improving driving skills. This included the “Yamato Transport Nationwide Safety Competition,” which is held annually by Yamato Transport Co., Ltd. and drew participants from other Group companies. We have also initiated efforts aimed at helping to address the issue of traffic accidents in Malaysia. To that end, we work with a private Malaysian driving school, providing them with our expertise on traffic safety instruction which we have built up over time.
- b. The Yamato Group has established the “Environmental Conservation Declaration” on the basis of the Group corporate philosophy, and moreover works to ensure that our distribution mechanisms are environmentally sound. At the same time, the Yamato Group works to heighten employee awareness of environmental conservation issues, and accordingly the Group pursues environmental conservation initiatives under our policy of “Nekology” (combining “Kuroneko” with “ecology”). In February 2015, our “Yamato Group Corporate Social Responsibility Report 2014” received an award for “Excellence in Reporting Measures to Combat Global Warming” at the “18th Environmental Communication Awards” hosted by Japan’s Ministry of the Environment and other organizations.
- c. Aspiring to be a company that continually evolves in step with society, led by Yamato Welfare Foundation, the Yamato Group conducts various activities to help realize a society in which disabled people can freely enjoy a lifestyle as a member of the workforce. 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 Mail, and operating job-finding support facilities where they take part in

- training to acquire skills and knowledge necessary for employment.
- d. Aiming to create more sustainable social value, the Yamato Group promotes initiatives for sharing value with society based on "Creating Shared Value (CSV)." In the fiscal year ended March 31, 2015, the Yamato Group continuously worked in collaboration with government bodies on 1,012 separate occasions in providing support with regard to watching over elderly residents and helping those living in remote areas who face difficulties doing their shopping, lending support to small- and medium-sized enterprises in conjunction with local governments, and other such initiatives taken in the course of performing myriad services that draw on the Yamato Group's managerial resources.

Outlook for fiscal 2016

Looking ahead at the economy, we anticipate moderate recovery in personal consumption in line with improvements in corporate earnings and a rosier employment picture. On the other hand, the situation is likely to remain uncertain in part given the potential for economic downside overseas.

In this environment, the Yamato Group will take steps in the Delivery Business that involve providing services which offer greater customer convenience, maintaining levels of quality, while also pursuing a strategy of pricing adequately in line with costs. In the non-delivery businesses, we will reinforce solution sales and develop a business model for generating a high level of added value by leveraging the Group's business resources.

On the cost front, we will improve productivity and control costs through efforts that include allocating adequate resources in line with operating volumes.

We expect operating revenue will be 1,430.0 billion yen, with operating income at 72.0 billion yen, ordinary income at 73.0 billion yen and profit attributable to owners of parent at 43.0 billion yen.

(2) Analysis of financial position

- a. Analysis of assets, liabilities, net assets and cash flows

Total assets were 1,082,531 million yen as of March 31, 2015, up 50,397 million yen from the end of the previous fiscal year. The major factors in this were increases in cash and deposits of 27,250 million yen, lease investment assets of 9,619 million yen and investment securities of 8,447 million yen.

Liabilities increased 39,369 million yen to 511,331 million yen from the end of the previous fiscal year. The major factor in this was an increase in loans payable of 39,641 million yen.

Total net assets were 571,199 million yen, up 11,027 million yen from the end of the previous fiscal year. The major factors included the recording of net income of 37,533 million yen, the dividends of surplus of 10,065 million yen, the purchase of treasury shares amounting to 30,587 million yen, and the issuance of treasury shares amounting to 10,745 million yen upon the exercise of subscription rights to shares attached to bonds with subscription rights to shares.

Accordingly, the equity ratio decreased by 1.2% from the end of the previous fiscal year to 52.2%.

Net cash provided by operating activities amounted to 92,620 million yen, which is an increase of 12,544 million yen compared with the year-ago period. The major factors here included 69,157 million yen in income before income taxes and minority interests and 46,078 million yen in depreciation, which combined generated a 7,069 million yen increase in cash inflows over the year-ago period.

Net cash used in investing activities was 58,485 million yen. Compared with the year-ago period, the amount of net cash used decreased by 6,450 million yen. This is largely attributable to expenditures of 54,308 million yen used for the purchase of property, plant and equipment, which is a decrease of 10,903 million yen compared with the year-ago period.

Net cash used in financing activities was 7,168 million yen. Compared with the year-ago period, the amount of net cash used decreased by 1,864 million yen. This is largely attributable to a more favorable net balance of loans payable, which stood at 39,432 million yen, an increase of 23,291 million yen compared with the year-ago period, offsetting expenditures of 30,592 million yen used for the purchase of treasury shares, which is an increase of 20,579 million yen compared with the year-ago period.

As a result of the above, cash and cash equivalents were 247,051 million yen as of March 31, 2015, up 27,656 million yen from the end of the previous fiscal year.

b. Trends in cash flows

	146th term Fiscal 2011	147th term Fiscal 2012	148th term Fiscal 2013	149th term Fiscal 2014	150th term Fiscal 2015
Equity ratio (%)	57.3	56.0	56.2	53.4	52.2
Equity ratio on market value basis (%)	63.0	59.8	77.6	90.3	105.8
Ratio of interest-bearing debts to cash flows	1.2	1.3	1.3	1.3	1.5
Interest coverage ratio	57.9	57.0	75.8	110.5	139.8

Note: Equity ratio: Equity/total assets
Equity ratio on market value basis: Stock market capitalization/total assets
Ratio of interest-bearing debts to cash flows: Interest-bearing debts/operating cash flows
Interest coverage ratio: Operating cash flows/interest payment

- Every indicator is calculated based on consolidated financial figures.
- Stock market capitalization is calculated by multiplying closing stock price at fiscal year-end by the number of shares issued at fiscal year-end (excluding treasury shares).
- Operating cash flows represent cash flows from operating activities in the consolidated statements of cash flows.
- Interest-bearing debts represent the liabilities in the consolidated balance sheet on which interest is paid.
- Interest payment represents interest expenses paid in the consolidated statements of cash flows.

(3) Basic profit distribution policy and dividends for fiscal 2015 and 2016

As a pure holding company, the Company conducts its business with the goal of maximizing the entire Group's corporate value. Accordingly, with respect to the dividends from surplus, the Company's policy is to pay dividends with the goal of having a payout ratio of 30% of consolidated net income. Retained earnings are used to facilitate the growth of the Group as a whole through capital expenditure—to strengthen the network, one of our management resources, and develop new businesses and products, for example—and investments are aimed at raising the corporate value in the future. Finally, the use of treasury shares is strategically positioned for flexible utilization, such as M&A, as a part of our capital policy.

For the fiscal year under review, we plan to pay a 13 yen dividend per share, bringing the annual dividend to 25 yen, of which 12 yen has already been disbursed as an interim dividend.

We will decide on dividends for the next fiscal year based on profit attributable to owners of parent in accordance with our basic profit distribution policy.

2. Status of the Corporate Group

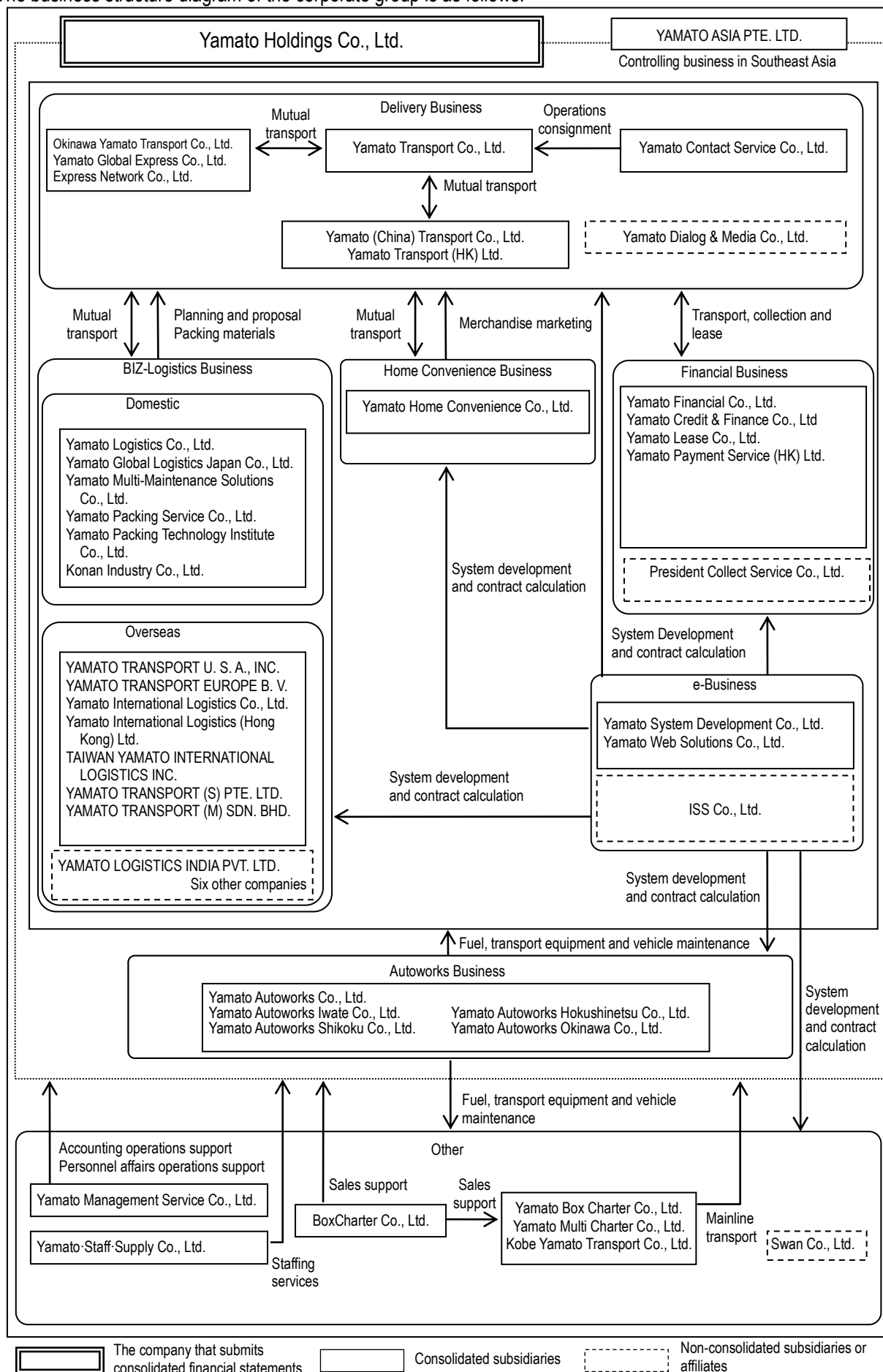
The Yamato Group consists of Yamato Holdings Co., Ltd. (the Company), 47 subsidiaries and 3 affiliates. The main businesses are Delivery business, BIZ-Logistics business, Home Convenience business, e-Business, Financial business, Autoworks business, and other services related to these businesses.

The relationship among contents of business, the position of each subsidiary or affiliate in aforementioned businesses and reportable segments are as follows:

Business segment	Content of business and main products	Main companies
Delivery	TA-Q-BIN, Cool TA-Q-BIN, TA-Q-BIN Time Service, Worldwide Delivery Service, Golf, Ski & Airport Round Trip TA-Q-BIN, Super-Speed TA-Q-BIN, Kuroneko Mail, domestic air cargo transport and Express Delivery Service	Yamato Transport Co., Ltd.; Okinawa Yamato Transport Co., Ltd.; Yamato Global Express Co., Ltd.; Express Network Co., Ltd.; Yamato Contact Service Co., Ltd.*; Yamato (China) Transport Co., Ltd.; Yamato Transport (HK) Ltd.; and one other company (Total: 8 companies)
BIZ-Logistics	Logistics, medical products distribution services, Maintenance Support Service, recall support service, international intermodal transportation service and overseas lifestyle support services	Yamato Logistics Co., Ltd.; Yamato Global Logistics Japan Co., Ltd.; Yamato Multi-Maintenance Solutions Co., Ltd.; Yamato Packing Service Co., Ltd.; Yamato Packing Technology Institute Co., Ltd.; Konan Industry Co., Ltd.; YAMATO TRANSPORT U. S. A., INC.; YAMATO TRANSPORT EUROPE B. V.; Yamato International Logistics Co., Ltd.; Yamato International Logistics (Hong Kong) Ltd.; TAIWAN YAMATO INTERNATIONAL LOGISTICS INC.; YAMATO TRANSPORT (S) PTE. LTD.; YAMATO TRANSPORT (M) SDN. BHD.; and seven other companies (Total: 20 companies)
Home Convenience	Pickup, delivery and installation of household goods and electric appliances, moving and lifestyle support services, and merchandising services	Yamato Home Convenience Co., Ltd. (Total: 1 company)
e-Business	System development, sales of system package solutions, distribution information services and information security service	Yamato System Development Co., Ltd.; Yamato Web Solutions Co., Ltd.; and one other company (Total: 3 companies)
Financial	TA-Q-BIN Collect service, Internet total settlement service, B2B logistics settlement service and comprehensive lease services	Yamato Financial Co., Ltd.; Yamato Credit & Finance Co., Ltd.; Yamato Lease Co., Ltd.; Yamato Payment Service (HK) Ltd.; and one other company (Total: 5 companies)
Autoworks	Vehicle maintenance business, fuel sales and nonlife insurance agent business	Yamato Autoworks Co., Ltd.; Yamato Autoworks Iwate Co., Ltd.; Yamato Autoworks Hokushinetsu Co., Ltd.; Yamato Autoworks Shikoku Co., Ltd.; Yamato Autoworks Okinawa Co., Ltd. (Total: 5 companies)
Other	JITBOX Charter, staffing services and shared services	Yamato Holdings Co., Ltd.; YAMATO ASIA PTE. LTD.; BoxCharter Co., Ltd.; Yamato Box Charter Co., Ltd.; Yamato Staff Supply Co., Ltd.; Yamato Management Service Co., Ltd.; Yamato Multi Charter Co., Ltd.; Kobe Yamato Transport Co., Ltd.; and one other company (Total: 9 companies)

* From the fiscal year ended March 31, 2015, Yamato Contact Service Co., Ltd. has been reclassified for inclusion in the Delivery Business segment, from the e-Business segment previously.

The business structure diagram of the corporate group is as follows:



3. Management Policy

(1) Basic corporate management policies, medium- to long-term corporate management strategies and target management indicators

With regard to the basic corporate management policies and medium- to long-term corporate management strategies, disclosure is omitted as there have been no significant changes to the contents since they were disclosed in the Consolidated Financial Results for the Year Ended March 31, 2014 (disclosed on April 30, 2014).

While expectations are rising for the recovery of the Japanese economy, given that uncertain conditions still remain, the Yamato Group aims to achieve the quantitative management targets indicated in “Outlook for fiscal 2016” on page 10.

Consolidated Financial Results for the Year Ended March 31, 2014 may be viewed at the following websites:

(Website of the Company)
<http://www.yamato-hd.co.jp/>

(Website of the Tokyo Stock Exchange (“Listed Company Information” page))
<http://www.jpx.co.jp/listing/co-search/index.html>

(2) Issues to be addressed by the Company

With the aim of achieving satisfaction among our shareholders, customers, society and employees, the Yamato Group will pursue the following strategies on the basis of the long-term business plan “DAN-TOTSU Management Plan 2019” and the medium-term business plan “DAN-TOTSU Three-Year Plan STEP” initiated in April 2014.

- a. We will contribute to Japanese economic growth strategies by pushing ahead with our “Value Networking” design which aspires to revolutionize logistics. In that regard, during the previous fiscal year we further developed our “last mile” network through our new logistics centers which include the “Haneda Chronogate,” “Atsugi Gateway” and “Okinawa International Logistics Hub” facilities. Going forward, we will work toward creating and developing a business model that can generate a high level of added value that improves logistics speed, quality and costs, by fusing our business resources in areas such as information, logistics and transaction settlement within this network.
- b. With respect to business expansion in Asian and other overseas markets, we will steadily work toward developing our borderless logistics network centered on the Okinawa International Logistics Hub. We will also adequately assess local needs and do what it takes to more firmly establish our high-quality logistics services in local markets.
- c. With respect to the mail-order market which is expected to keep growing rapidly, we are supporting market growth with our new TA-Q-BIN services, “TA-Q-BIN Compact” and “Nekopos,” which provide heightened convenience in regard to picking up parcels, and address the needs for simple deliveries of small parcels for reasonable fees. We will also continue initiatives geared toward providing greater convenience to our customers who used our Kuroneko Mail service for sending direct mail and other items, by offering them our new “Kuroneko DM-Bin” mailbox posting service. Moreover, drawing on the Yamato Group’s business resources, we will promote our total solutions for mail-order business operators, including those that involve providing a comprehensive range of services spanning launch of mail-order websites, settlement of payments, order receipts management, inventory control and deliveries.
- d. We will place top priority on maintaining service quality levels as we strive to heighten productivity and control costs across every aspect of Group operations, including collection and delivery, back-office and sorting operations. Meanwhile, for the proprietary services and value-added business models provided by the Yamato Group, we will increasingly enhance our ability to generate profits by promoting our strategy of pricing adequately in line with costs.
- e. We will rethink our attitudes toward the traditional working lifestyles, and address the issue of future labor shortage by offering a wide variety of working lifestyles that respectively suit women, seniors and foreigners. By promoting diversity initiatives that create opportunities for such working lifestyles, we will secure new labor capacity.

- f. Our efforts to forge a robust corporate culture will involve placing top priority on ensuring levels of quality that instill customer confidence while increasing employee satisfaction, strengthening both legal and financial governance, and pursuing CSR initiatives.
- g. We will build a platform that links us with government bodies and corporations in various regions throughout Japan, with the aim of providing support to people in their daily lives and revitalizing their local communities. Moreover, we will strive to become the group of companies which is the most appreciated and trusted by society by creating value that can be shared among corporations and society through efforts to promote safety, environmental and other measures as we engage in our core operations.

4. 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 Asia and other locations overseas.

5. Consolidated Financial Statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	220,147	247,398
Notes and accounts receivable - trade	188,144	187,833
Accounts receivable - installment	39,480	42,007
Lease investment assets	35,328	44,948
Merchandise and finished goods	780	721
Work in process	234	512
Raw materials and supplies	2,222	2,101
Deferred tax assets	16,547	15,687
Other	26,063	26,333
Allowance for doubtful accounts	(1,591)	(1,338)
Total current assets	527,359	566,205
Non-current assets		
Property, plant and equipment		
Buildings and structures	329,288	334,119
Accumulated depreciation	(174,246)	(185,622)
Buildings and structures, net	155,042	148,497
Machinery and equipment	53,811	55,448
Accumulated depreciation	(32,395)	(35,706)
Machinery and equipment, net	21,416	19,741
Vehicles	187,881	194,198
Accumulated depreciation	(171,770)	(176,205)
Vehicles, net	16,110	17,992
Land	188,343	187,964
Lease assets	23,944	24,028
Accumulated depreciation	(15,201)	(17,181)
Lease assets, net	8,742	6,846
Construction in progress	7,894	16,025
Other	79,272	85,372
Accumulated depreciation	(59,695)	(62,338)
Other, net	19,577	23,033
Total property, plant and equipment	417,127	420,101
Intangible assets		
Software	12,342	12,646
Other	5,175	4,953
Total intangible assets	17,518	17,600

	As of March 31, 2014	As of March 31, 2015
Investments and other assets		
Investment securities	* 26,119	* 34,567
Long-term loans receivable	1,062	1,040
Lease deposits	18,468	17,901
Net defined benefit asset	167	255
Deferred tax assets	21,686	21,977
Other	3,973	3,998
Allowance for doubtful accounts	(1,350)	(1,116)
Total investments and other assets	70,128	78,624
Total non-current assets	504,774	516,325
Total assets	1,032,134	1,082,531
Liabilities		
Current liabilities		
Notes and accounts payable - trade	172,463	157,479
Short-term loans payable	36,411	34,443
Current portion of bonds with subscription rights to shares	—	9,660
Lease obligations	4,784	2,733
Income taxes payable	20,907	20,024
Deferred installment income	5,349	5,655
Provision for bonuses	29,515	30,236
Other	77,927	96,800
Total current liabilities	347,360	357,034
Non-current liabilities		
Bonds with subscription rights to shares	20,000	—
Long-term loans payable	42,266	83,876
Lease obligations	4,379	4,655
Deferred tax liabilities	1,808	3,947
Net defined benefit liability	47,224	53,023
Other	8,923	8,794
Total non-current liabilities	124,601	154,297
Total liabilities	471,961	511,331

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Net assets		
Shareholders' equity		
Capital stock	127,234	127,234
Capital surplus	100,863	70,209
Retained earnings	371,965	395,352
Treasury shares	(56,079)	(43,007)
Total shareholders' equity	543,984	549,789
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,769	13,847
Foreign currency translation adjustment	342	1,169
Remeasurements of defined benefit plans	(1,717)	715
Total accumulated other comprehensive income	7,395	15,731
Minority interests	8,792	5,678
Total net assets	560,172	571,199
Total liabilities and net assets	1,032,134	1,082,531

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

(Millions of yen)

	For the year ended March 31, 2014	For the year ended March 31, 2015
Operating revenue	1,374,610	1,396,708
Operating cost	1,274,470	1,290,714
Operating gross profit	100,139	105,993
Selling, general and administrative expenses		
Personnel expenses	21,076	21,905
Provision for bonuses	825	826
Retirement benefit expenses	1,237	957
Commission fee	3,240	3,788
Taxes and dues	3,586	3,804
Provision of allowance for doubtful accounts	774	373
Depreciation	2,178	2,123
Other	6,186	5,050
Total selling, general and administrative expenses	37,043	37,046
Operating income	63,096	68,947
Non-operating income		
Interest income	92	89
Dividend income	530	584
Foreign exchange gains	—	520
Gain on sales of vehicles	208	297
Other	1,851	1,479
Total non-operating income	2,681	2,969
Non-operating expenses		
Interest expenses	411	398
Rent expenses	160	125
Other	541	504
Total non-operating expenses	1,114	1,027
Ordinary income	64,664	70,889
Extraordinary income		
Gain on sales of non-current assets	*1 1,899	410
Gain on sales of investment securities	0	6
Compensation for damage received	—	257
Compensation income	37	245
Penalty received	—	232
Other	—	36
Total extraordinary income	1,937	1,190

(Millions of yen)

	For the year ended March 31, 2014	For the year ended March 31, 2015
Extraordinary loss		
Loss on retirement of non-current assets	439	412
Impairment loss	*2 216	*2 1,791
Loss on valuation of investment securities	3	—
Loss on litigation	—	704
Other	60	13
Total extraordinary loss	720	2,921
Income before income taxes and minority interests	65,882	69,157
Income taxes - current	32,604	29,814
Income taxes - deferred	(1,601)	1,739
Total income taxes	31,003	31,554
Income before minority interests	34,879	37,602
Minority interests in income	102	69
Net income	34,776	37,533

(Consolidated statement of comprehensive income)

(Millions of yen)

	For the year ended March 31, 2014	For the year ended March 31, 2015
Income before minority interests	34,879	37,602
Other comprehensive income		
Valuation difference on available-for-sale securities	2,938	5,370
Foreign currency translation adjustment	1,408	826
Remeasurements of defined benefit plans, net of tax	—	2,442
Total other comprehensive income	* 4,346	* 8,640
Comprehensive income	39,225	46,243
(Breakdown)		
Comprehensive income attributable to owners of parent	38,825	45,877
Comprehensive income attributable to minority interests	400	365

(3) Consolidated statement of changes in equity

For the year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	127,234	111,290	347,358	(56,495)	529,387
Changes of items during period					
Dividends of surplus			(10,169)		(10,169)
Net income			34,776		34,776
Purchase of treasury shares				(10,011)	(10,011)
Disposal of treasury shares		0		0	0
Retirement of treasury shares		(10,427)		10,427	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(10,427)	24,607	416	14,596
Balance at end of current period	127,234	100,863	371,965	(56,079)	543,984

	Accumulated other comprehensive income				Minority 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 current period	6,095	(1,032)	—	5,063	8,463	542,914
Changes of items during period						
Dividends of surplus						(10,169)
Net income						34,776
Purchase of treasury shares						(10,011)
Disposal of treasury shares						0
Retirement of treasury shares						—
Net changes of items other than shareholders' equity	2,674	1,374	(1,717)	2,331	329	2,661
Total changes of items during period	2,674	1,374	(1,717)	2,331	329	17,257
Balance at end of current period	8,769	342	(1,717)	7,395	8,792	560,172

For the year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	127,234	100,863	371,965	(56,079)	543,984
Cumulative effects of changes in accounting policies			(4,080)		(4,080)
Restated balance	127,234	100,863	367,884	(56,079)	539,903
Changes of items during period					
Dividends of surplus			(10,065)		(10,065)
Net income			37,533		37,533
Purchase of treasury shares				(30,587)	(30,587)
Disposal of treasury shares		(404)		10,745	10,340
Retirement of treasury shares		(31,507)		31,507	—
Change in ownership interest of parent related to transactions with non-controlling interests		1,257		1,406	2,664
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(30,654)	27,467	13,071	9,885
Balance at end of current period	127,234	70,209	395,352	(43,007)	549,789

	Accumulated other comprehensive income				Minority 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 current period	8,769	342	(1,717)	7,395	8,792	560,172
Cumulative effects of changes in accounting policies					(17)	(4,097)
Restated balance	8,769	342	(1,717)	7,395	8,775	556,074
Changes of items during period						
Dividends of surplus						(10,065)
Net income						37,533
Purchase of treasury shares						(30,587)
Disposal of treasury shares						10,340
Retirement of treasury shares						—
Change in ownership interest of parent related to transactions with non-controlling interests						2,664
Net changes of items other than shareholders' equity	5,077	826	2,432	8,336	(3,097)	5,239
Total changes of items during period	5,077	826	2,432	8,336	(3,097)	15,124
Balance at end of current period	13,847	1,169	715	15,731	5,678	571,199

(4) Consolidated statement of cash flows

(Millions of yen)

	For the year ended March 31, 2014	For the year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	65,882	69,157
Depreciation	42,283	46,078
Impairment loss	216	1,791
Increase (decrease) in net defined benefit liability	6,278	2,795
Increase (decrease) in provision for bonuses	390	676
Interest and dividend income	(622)	(673)
Interest expenses	723	648
Loss (gain) on sales of non-current assets	(1,899)	(410)
Loss on retirement of non-current assets	439	412
Loss (gain) on sales of investment securities	(0)	(6)
Loss (gain) on valuation of investment securities	3	—
Decrease (increase) in notes and accounts receivable - trade	(38,786)	(11,898)
Decrease (increase) in inventories	401	(46)
Increase (decrease) in notes and accounts payable - trade	33,410	(14,665)
Other, net	6,910	29,087
Subtotal	115,631	122,947
Interest and dividend income received	605	697
Interest expenses paid	(724)	(662)
Income taxes paid	(35,437)	(30,361)
Net cash provided by (used in) operating activities	80,075	92,620
Cash flows from investing activities		
Payments into time deposits	(461)	(60)
Proceeds from withdrawal of time deposits	814	506
Purchase of property, plant and equipment	(65,211)	(54,308)
Proceeds from sales of property, plant and equipment	4,237	2,538
Purchase of investment securities	(10)	(1,021)
Proceeds from sales of investment securities	2	14
Payments of loans receivable	(1,347)	(1,489)
Collection of loans receivable	1,371	1,449
Other payments	(7,143)	(7,521)
Other proceeds	2,814	1,407
Net cash provided by (used in) investing activities	(64,935)	(58,485)

(Millions of yen)

	For the year ended March 31, 2014	For the year ended March 31, 2015
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	3,279	(1,576)
Repayments of finance lease obligations	(4,960)	(5,180)
Proceeds from long-term loans payable	27,007	60,400
Repayment of long-term loans payable	(14,145)	(19,391)
Proceeds from sales of treasury shares	0	0
Purchase of treasury shares	(10,013)	(30,592)
Cash dividends paid	(10,172)	(10,065)
Cash dividends paid to minority shareholders	(62)	(81)
Other, net	33	(682)
Net cash provided by (used in) financing activities	(9,033)	(7,168)
Effect of exchange rate change on cash and cash equivalents	647	690
Net increase (decrease) in cash and cash equivalents	6,753	27,656
Cash and cash equivalents at beginning of period	212,641	219,395
Cash and cash equivalents at end of period	*1 219,395	*1 247,051

(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: 39
Major consolidated subsidiaries are as described in "2. Status of the Corporate Group."
 - (2) Non-consolidated subsidiaries, etc.
YAMATO LOGISTICS INDIA PVT. LTD. and certain other subsidiaries are not included within the scope of consolidation. The total assets, operating revenue, net income, 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
The equity method is not applied to YAMATO LOGISTICS INDIA PVT. LTD. and certain other non-consolidated subsidiaries, along with YAMATO UNYU (THAILAND) CO., LTD. and certain other affiliated companies. The net income and the retained earnings of these companies are immaterial and, even taken together as a group, they do not exert a significant influence on the consolidated financial statements.
3. Closing date of consolidated subsidiaries
Of consolidated subsidiaries, YAMATO TRANSPORT U.S.A., INC., and other ten overseas subsidiaries have December 31 as their financial year end. Financial statements as of this closing date were used in the preparation of the consolidated financial statements. However, the consolidated figures have been adjusted as required to reflect significant transactions occurring between December 31, 2014 and March 31, 2015 that is the consolidated closing date.
4. Accounting policies
 - (1) Valuation basis and methods for principal assets
 - a. Securities
Securities held-to-maturity
Calculated based on the amortized cost method (straight-line method).

Available-for-sale securities
Securities with fair market value: Stated at the fair market value based on the quoted market price as of the fiscal year end (valuation differences are recognized in net assets; the cost of securities sold is calculated by the moving-average method).

Securities without fair market value: Stated at the cost by moving-average method.
 - b. Inventories
Stated at the cost by first-in first-out method (for the value stated in the balance sheet, the book value is written down based on the decreased profitability).

- (2) Depreciation and amortization methods of major depreciable or amortizable assets
 - a. Property, plant and equipment (excluding lease assets):

Computed using the declining-balance method. Meanwhile, the straight-line method is adopted for buildings (excluding fixtures) acquired on or after April 1, 1998.

For overseas consolidated subsidiaries' assets, the straight-line method based on estimated useful lives is adopted.
 - b. Intangible assets (excluding lease assets):

Computed using the straight-line method. Meanwhile, software is amortized by the straight-line method over the estimated useful life of five years.
 - c. Lease assets:

Computed using the straight-line method where the useful life of lease assets shall be equal to the lease period and their residual value shall be zero.
- (3) Accounting standards for significant provisions
 - a. Allowance for doubtful accounts

The allowance for doubtful accounts is provided to prepare for loss from uncollectible credits. For ordinary receivables, the amount is estimated using the rate based on the historical bad debt experience. For special receivables with higher uncertainty of collectivity is considered on individual cases, and prospective uncollectible amount is provided.
 - b. Provision for bonuses

The provision for bonuses is provided for payment of bonuses to employees based on an amount expected to be paid.

This provision is not applicable for overseas subsidiaries.
- (4) Method of accounting for retirement benefits
 - a. Method of attributing expected retirement benefit to periods

In calculating the retirement benefit obligations, the straight-line basis is used in determining the amount of the expected retirement benefit obligation attributed to service performed up to the end of the current fiscal year.
 - b. Method of recognizing actuarial differences and prior service costs

The entire amount of prior service cost is recognized in profit or loss in the fiscal year during which it arises. Actuarial differences are recognized in profit or loss in the year following the year in which a respective gain or loss arises, and are amortized proportionally on a straight-line basis over a period of five years, which is within the average remaining years of service of the eligible employees.
 - c. Method of accounting for unrecognized actuarial difference

Unrecognized actuarial difference is accounted for in remeasurements of defined benefit plans, after adjusting for tax effects, under accumulated other comprehensive income of net assets.
- (5) Basis of revenue recognition

Deferred installment income:

The prorated amounts for the shopping loan service are recognized as income when the due date comes.
- (6) Method of significant hedge accounting
 - a. Method of hedge accounting

Interest rate swaps are accounted for using the exceptional treatment as they satisfy the applicable conditions.

- b. Hedging instrument and hedged item
 Hedging instrument: Interest rate swaps
 Hedged item: Interest on loans
- c. Hedging policy
 Interest rate swap transactions are used to avoid interest rate fluctuation risk associated with fund procurement.
- d. Method of evaluating hedge effectiveness
 Hedging effectiveness in interest rate swap transactions is not evaluated as they are accounted for using the exceptional treatment.

- (7) Scope of funds in consolidated statement of cash flows
 Cash (cash and cash equivalents) in the consolidated statement of cash flows consists of cash on hand and short-term investments with a maturity not exceeding three months from the time of purchase that are readily convertible to cash and not exposed to significant risk in value fluctuations. Bank overdrafts are included in cash equivalents except when they are clearly regarded for procurement of funds, as is the case with short-term loans payable.
- (8) Other significant matters forming the basis of preparing the consolidated financial statements
 Accounting for consumption taxes:
 Consumption taxes are excluded from transaction amounts.

(Changes in accounting policies)

(Application of "Accounting Standard for Retirement Benefits" and Its Guidance)

Effective from the fiscal year ended March 31, 2015, for the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015), the Company has additionally applied the provisions set forth in the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits.

Due to this, the Company reviewed the calculation method of retirement benefit obligations and current service costs and amended the determination of discount rate from one that is based on the period of years approximate to the expected average remaining working lives of employees to one that uses a single weighted average discount rate reflecting the estimated timing and amount of benefit payment.

Application of the Accounting Standard for Retirement Benefits and its Guidance is in line with the transitional measures provided in Paragraph 37 of the Accounting Standard for Retirement Benefits. In accordance with such measures, the effect of the review in the determination of retirement benefit obligations and current service costs has been added to or deducted from retained earnings as of the beginning of the fiscal year ended March 31, 2015.

As a result of this change, as of the beginning of the fiscal year ended March 31, 2015, net defined benefit liability increased 6,262 million yen, deferred tax assets increased 2,214 million yen, and retained earnings decreased 4,080 million yen. In addition, the effect of this application on operating income, ordinary income, and income before income taxes and minority interests for the fiscal year ended March 31, 2015 is immaterial.

Net asset per share decreased by 9.87 yen.

(Application of “Accounting Standard for Business Combinations,” etc.)

Effective from the beginning of the fiscal year starting on or after April 1, 2014, it has become possible to apply the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), etc. Accordingly, the Company has applied these accounting standards (except for the provisions of Paragraph 39 of the Accounting Standard for Consolidated Financial Statements) effective from the fiscal year ended March 31, 2015. As a result, the method of recording the amount of difference caused by changes in the Company’s ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which it is recorded as capital surplus, and the method of recording acquisition-related costs was changed to one in which they are recognized as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations carried out on or after April 1, 2014, the accounting method was changed to one in which the reviewed acquisition cost allocation resulting from the finalization of the tentative accounting treatment is reflected in the consolidated financial statements for the fiscal year in which the business combination occurs.

Application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. Application of the standard commenced on April 1, 2014, and will continue going forward.

As a result of this change, as of March 31, 2015, capital surplus increased 834 million yen. In addition, the effect of this application on operating income, ordinary income, and income before income taxes and minority interests of the fiscal year ended March 31, 2015 is immaterial.

Net asset per share increased by 2.02 yen.

(Consolidated balance sheet)

* Investment securities for non-consolidated subsidiaries and affiliates are as follows.

(Millions of yen)

	Fiscal 2014	Fiscal 2015
Investment securities	542	723

(Consolidated statement of income)

*1 Gain on sales of non-current assets

Fiscal 2014 (from April 1, 2013 to March 31, 2014)

Offsetting gains and losses from sales of assets (such as land and buildings) involving the same transactions are included in the gain on sales of non-current assets.

*2 Impairment loss

Fiscal 2014 (from April 1, 2013 to March 31, 2014)

(Millions of yen)

Use of asset	Type of asset	Region	Amount of impairment loss
Plant and other	Buildings and other	Yamato Autoworks Co., Ltd., Tomakomai Plant (Tomakomai City, Hokkaido) and eleven other premises	216

The Yamato Group grouped the assets based on the classification in managerial accounting and the unit in making investment decisions, with Yamato Transport Co., Ltd. treating primarily a main branch and subordinate branches as one unit, Yamato Autoworks Co., Ltd. treating primarily plants and the Company and other consolidated subsidiaries based on the unit of department.

As a result, the Group recognized a continuous decrease in profit and loss arising from operating activities or significant declines in market prices for the asset group consisting of Yamato Autoworks Co., Ltd.'s Tomakomai Plant and eleven other premises, and it decreased the book value of the relevant asset group to the recoverable value and posted the relevant decrease of 216 million yen to extraordinary losses as an impairment loss. Of the total extraordinary loss recognized, 199 million yen was attributable to buildings.

The recoverable value of the relevant asset group is calculated based on net realizable value and valued based mainly on real estate appraisal standards, assessed value of property tax or the posted land price.

Fiscal 2015 (from April 1, 2014 to March 31, 2015)

(Millions of yen)

Use of asset	Type of asset	Region	Amount of impairment loss
Branch and distribution center and other	Other intangible assets and other	Yamato (China) Transport Co., Ltd. (Shanghai, China) and ten other premises	1,791

The Yamato Group grouped the assets based on the classification in managerial accounting and the unit in making investment decisions, with Yamato Transport Co., Ltd. treating primarily a main branch and subordinate branches as one unit and the Company and other consolidated subsidiaries based on the unit of department.

As a result, the Group recognized a continuous decrease in profit and loss arising from operating activities or significant declines in market prices for the asset group consisting of Yamato (China) Transport Co., Ltd. and ten other premises, and it decreased the book value of the relevant asset group to the recoverable value and posted the relevant decrease of 1,791 million yen to extraordinary losses as an impairment loss. A breakdown of this decrease shows that 328 million yen was attributable to buildings, 290 million yen was attributable to land and 847 million yen was attributable to other intangible assets.

Where the recoverable value of a relevant asset group is calculated on the basis of value in use, the calculation is made by discounting future cash flows by a discount rate of between 5.65% and 6.15%. Also, where the recoverable value is calculated based on net realizable value, the amount is valued based mainly on real estate appraisal standards, assessed value of property tax or the posted land price.

(Consolidated statement of comprehensive income)

*Recycling amount and income tax relating to other comprehensive income

	(Millions of yen)	
	Fiscal 2014	Fiscal 2015
Valuation difference on available-for-sale securities		
Amount recorded during the period	3,783	7,258
Recycling amount	(0)	(6)
Before tax effect adjustments	3,783	7,251
Tax effect amount	(844)	(1,880)
Valuation difference on available-for-sale securities	2,938	5,370
Foreign currency translation adjustment		
Amount recorded during the period	1,408	826
Remeasurements of defined benefit plans, net of tax		
Amount recorded during the period	—	3,351
Recycling amount	—	398
Before tax effect adjustments	—	3,750
Tax effect amount	—	(1,307)
Remeasurements of defined benefit plans, net of tax	—	2,442
Total other comprehensive income	4,346	8,640

(Consolidated statement of changes in equity)

For the year ended March 31, 2014

1. Class and total number of issued shares and treasury shares (Thousands of shares)

	Number of shares as of the beginning of the current fiscal year	Number of increased shares in current fiscal year	Number of decreased shares in current fiscal year	Number of shares as of end of current fiscal year
Issued shares				
Common shares (Note 1)	461,345	—	6,660	454,684
Total	461,345	—	6,660	454,684
Treasury shares				
Common shares (Note 2)	37,631	4,771	6,660	35,742
Total	37,631	4,771	6,660	35,742

Notes: *1 The decrease of 6,660 thousand shares of issued shares of common shares resulted from a decrease due to retirement of treasury shares.

*2 The increase of 4,771 thousand shares of treasury shares of common shares resulted from an increase of 4,766 thousand shares due to the purchase of treasury shares and an increase of 5 thousand shares due to the purchase of fractional shares.

The decrease of 6,660 thousand shares of treasury shares of common shares resulted from a decrease of 6,660 thousand shares through retirement of treasury shares and a decrease of 0 thousand shares due to sale of fractional shares.

2. Subscription rights to shares and treasury subscription rights to shares

As the number of shares subject to subscription rights is immaterial against the total number of issued shares (excluding treasury shares) as of the end of the fiscal year under review, descriptions are omitted.

3. Dividends

(1) Payment of dividends

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date on and after
The Board of Directors Meeting on May 16, 2013	Common shares	5,084	12	March 31, 2013	June 4, 2013
The Board of Directors Meeting on October 30, 2013	Common shares	5,084	12	September 30, 2013	December 10, 2013

(2) Dividends with a record date that falls within the fiscal year under review but an effective date starting in the upcoming fiscal year

Resolution	Class of shares	Total amount of dividends (millions of yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date on and after
The Board of Directors Meeting on May 16, 2014	Common shares	5,027	Retained earnings	12	March 31, 2014	June 3, 2014

For the year ended March 31, 2015

1. Class and total number of issued shares and treasury shares (Thousands of shares)

	Number of shares as of the beginning of the current fiscal year	Number of increased shares in current fiscal year	Number of decreased shares in current fiscal year	Number of shares as of end of current fiscal year
Issued shares				
Common shares (Note 1)	454,684	—	19,120	435,564
Total	454,684	—	19,120	435,564
Treasury shares				
Common shares (Note 2)	35,742	12,235	25,606	22,370
Total	35,742	12,235	25,606	22,370

Notes: *1 The decrease of 19,120 thousand shares of issued shares of common shares resulted from a decrease due to retirement of treasury shares.

*2 The increase of 12,235 thousand shares of treasury shares of common shares resulted from an increase of 11,962 thousand shares due to the purchase of treasury shares and other increases.

The decrease of 25,606 thousand shares of treasury shares of common shares resulted from a decrease of 19,120 thousand shares through retirement of treasury shares, a decrease of 5,589 thousand shares through the exercise of subscription rights to shares attached to bonds with subscription rights to shares and other decreases.

2. Subscription rights to shares and treasury subscription rights to shares

As the number of shares subject to subscription rights is immaterial against the total number of issued shares (excluding treasury shares) as of the end of the fiscal year under review, descriptions are omitted.

3. Dividends

(1) Payment of dividends

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date on and after
The Board of Directors Meeting on May 16, 2014	Common shares	5,027	12	March 31, 2014	June 3, 2014
The Board of Directors Meeting on October 30, 2014	Common shares	5,038	12	September 30, 2014	December 10, 2014

- (2) Dividends with a record date that falls within the fiscal year under review but an effective date starting in the upcoming fiscal year

Resolution	Class of shares	Total amount of dividends (millions of yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date on and after
The Board of Directors Meeting on May 14, 2015 (planned)	Common shares	5,371	Retained earnings	13	March 31, 2015	June 2, 2015 (planned)

(Consolidated statement of cash flows)

- *1 Relationship between the balance of cash and cash equivalents at the end of the period and the amounts recorded in the items shown on the consolidated balance sheet

(Millions of yen)

	Fiscal 2014	Fiscal 2015
Cash and deposits	220,147	247,398
Time deposits due beyond three months	(444)	(36)
Short-term loans payable account	(307)	(311)
Cash and cash equivalents	219,395	247,051

2 Important non-cash transactions

Exercise of subscription rights to shares attached to convertible bond-type bonds with subscription rights to shares

(Millions of yen)

	Fiscal 2014	Fiscal 2015
Decrease in capital surplus due to exercise of subscription rights to shares	—	(405)
Decrease in treasury shares due to exercise of subscription rights to shares	—	10,745
Decrease in bonds with subscription rights to shares due to exercise of subscription rights to shares	—	10,340

(Segment Information)

1. Segment Information

(1) Summary of reportable segment

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

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

Accordingly, based on this business segment, the Company has the following six reportable segments:

Delivery business, BIZ-Logistics business, Home Convenience business, e-Business, Financial business, and Autoworks business.

Type of services by reportable segment

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

- (2) Method of calculating operating revenue, income/loss, assets and other items by reportable segment
The accounting method used for reported business segments is the same as that described in the section on "Significant matters forming the basis of preparing the consolidated financial statements."

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

For the year ended March 31, 2014

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Operating revenue					
Operating revenue from customers	1,099,399	90,254	48,723	40,831	62,727
Inter-segment operating revenue or transfers	61,095	12,462	14,154	27,103	3,567
Total	1,160,494	102,717	62,877	67,935	66,295
Segment income	35,784	3,403	217	8,057	9,405
Segment assets	633,426	54,550	19,017	38,635	233,495
Others					
Depreciation	31,849	1,560	575	3,712	2,720
Increases of property, plant and equipment and intangible assets	64,479	4,250	700	3,366	5,492

	Autoworks	Other (Notes 1, 2)	Total	Reconciliation (Note 3)	Amount recorded in consolidated financial statements (Note 4)
Operating revenue					
Operating revenue from customers	25,650	7,022	1,374,610	—	1,374,610
Inter-segment operating revenue or transfers	28,066	60,664	207,114	(207,114)	—
Total	53,717	67,687	1,581,724	(207,114)	1,374,610
Segment income	3,272	24,956	85,097	(22,000)	63,096
Segment assets	23,411	11,168	1,013,705	18,428	1,032,134
Others					
Depreciation	906	284	41,609	656	42,265
Increases of property, plant and equipment and intangible assets	380	563	79,232	298	79,530

- Notes: 1. Other includes business-to-business distribution via JITBOX Charter, staffing services and shared services.
2. Operating revenue in Other includes dividends which the Company received from the Group companies as a pure holding company and the effect of this on operating revenue and segment income is 24,104 million yen.
3. Adjustments made are as follows.
(1) The adjustment of (22,000 million yen) of segment income resulted from eliminating transactions among segments, etc.
(2) The adjustment of 18,428 million yen of segment assets includes offsetting and elimination of assets among segments of (143,009 million yen) and group-wide assets of 161,438 million yen not allocated to each reportable segment.
(3) The adjustment of 298 million yen of increases of property, plant and equipment and intangible assets is the Company's capital investment.
4. We made an adjustment between segment income and operating income in the consolidated statement of income.

For the year ended March 31, 2015

(Millions of yen)

	Delivery (Note 1)	BIZ-Logistics	Home Convenience	e-Business (Note 1)	Financial
Operating revenue					
Operating revenue from customers	1,101,438	103,821	48,475	40,486	66,658
Inter-segment operating revenue or transfers	63,411	12,150	14,546	28,253	3,401
Total	1,164,850	115,971	63,021	68,739	70,059
Segment income	39,205	4,682	613	7,756	8,918
Segment assets	660,295	61,507	20,241	40,377	239,044
Others					
Depreciation	34,791	1,818	557	3,761	3,437
Increases of property, plant and equipment and intangible assets	33,832	3,200	711	4,965	8,397

	Autoworks	Other (Notes 2, 3)	Total	Reconciliation (Note 4)	Amount recorded in consolidated financial statements (Note 5)
Operating revenue					
Operating revenue from customers	27,153	8,675	1,396,708	—	1,396,708
Inter-segment operating revenue or transfers	28,558	59,228	209,549	(209,549)	—
Total	55,711	67,903	1,606,257	(209,549)	1,396,708
Segment income	3,733	24,143	89,053	(20,105)	68,947
Segment assets	24,794	12,848	1,059,110	23,421	1,082,531
Others					
Depreciation	767	260	45,394	663	46,058
Increases of property, plant and equipment and intangible assets	454	219	51,780	241	52,022

- Notes: 1. Effective from the fiscal year ended March 31, 2015, Delivery Business segment includes the contact service business, previously included in the e-Business, due to changes involving business segment categories made in accordance with actual circumstances related to management and administration. The segment information for the fiscal year ended March 31, 2014 has been prepared and presented according to the new classification.
2. Other includes business-to-business distribution via JITBOX Charter, staffing services and shared services.
3. Operating revenue in Other includes dividends which the Company received from the Group companies as a pure holding company and the effect of this on operating revenue and segment income is 21,910 million yen.
4. Adjustments made are as follows.
- (1) The adjustment of (20,105 million yen) of segment income resulted from eliminating transactions among segments, etc.
- (2) The adjustment of 23,421 million yen of segment assets includes offsetting and elimination of assets among segments of (166,005 million yen) and group-wide assets of 189,426 million yen not allocated to each reportable segment.
- (3) The adjustment of 241 million yen of increases of property, plant and equipment and intangible assets includes the Company's capital investment of 223 million yen.
5. We made an adjustment between segment income and operating income in the consolidated statement of income.
6. Effective from the fiscal year ended March 31, 2015, for the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015), the Company has additionally applied the provisions set forth in the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits. Due to this, the Company reviewed the calculation method of retirement benefit obligations and current service costs and amended the determination of discount rate from one that is based on the period of years approximate to the expected average remaining working lives of employees to one that uses a single weighted average discount rate reflecting the estimated timing and amount of benefit payment.
- In addition, the effect of this application on segment income/loss for the fiscal year ended March 31, 2015 is immaterial.

2. Relevant information

For the year ended March 31, 2014

(1) Information by product and service

				(Millions of Yen)
	TA-Q-BIN	Kuroneko Mail	Other	Total
Operating revenue from customers	906,056	120,799	347,753	1,374,610

(2) Information by region

a. Operating revenue

				(Millions of Yen)
Japan	North America	Other	Total	
1,349,718	10,460	14,431	1,374,610	

b. Property, plant and equipment

				(Millions of Yen)
Japan	North America	Other	Total	
415,013	385	1,728	417,127	

(3) Information by major customer

Of operating revenue from customers, because no single revenue from any one customer accounts for 10% or more of the operating revenue of the consolidated statement of income, descriptions are omitted.

For the year ended March 31, 2015

(1) Information by product and service

				(Millions of Yen)
	TA-Q-BIN	Kuroneko Mail	Other	Total
Operating revenue from customers	912,563	111,885	372,260	1,396,708

(2) Information by region

a. Operating revenue

				(Millions of Yen)
Japan	North America	Other	Total	
1,368,793	10,261	17,653	1,396,708	

b. Property, plant and equipment

				(Millions of Yen)
Japan	North America	Other	Total	
418,202	441	1,456	420,101	

(3) Information by major customer

Of operating revenue from customers, because no single revenue from any one customer accounts for 10% or more of the operating revenue of the consolidated statement of income, descriptions are omitted.

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

For the year ended March 31, 2014

(Millions of Yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Impairment loss	—	—	—	—	—

	Autoworks	Other	Total	Corporate or eliminations	Consolidated
Impairment loss	216	—	216	—	216

For the year ended March 31, 2015

(Millions of Yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Impairment loss	1,403	90	297	—	—

	Autoworks	Other	Total	Corporate or eliminations	Consolidated
Impairment loss	—	—	1,791	—	1,791

4. Information regarding amortization and unamortized balance of goodwill by reportable segment

For the year ended March 31, 2014

Not applicable.

For the year ended March 31, 2015

Not applicable.

(Tax Effect Accounting)

1. Breakdown of major causes for deferred tax assets and deferred tax liabilities

	(Millions of yen)	
	Fiscal 2014	Fiscal 2015
Deferred tax assets (current assets)		
Provision for bonuses	10,463	9,711
Accrued legal welfare expenses	1,660	1,818
Accrued enterprise tax	1,747	1,768
Excess in provision of allowance for doubtful accounts	195	216
Other	3,066	2,465
Subtotal	17,133	15,979
Allowance for devaluation	(273)	—
Total	16,860	15,979
Deferred tax assets (non-current assets)		
Net defined benefit liability	16,997	17,727
Loss on valuation of land	24,162	21,898
Impairment loss	4,225	4,188
Loss on valuation of investment securities	2,199	1,992
Unrealized income on non-current assets	1,839	1,913
Loss on valuation of telephone subscription right	546	494
Other	10,763	10,693
Subtotal	60,734	58,907
Allowance for devaluation	(35,504)	(33,122)
Total	25,229	25,785
Deferred tax liabilities (current liabilities)		
Other	(312)	(292)
Total	(312)	(292)
Deferred tax liabilities (non-current liabilities)		
Valuation difference on available-for-sale securities	(2,871)	(4,739)
Reserve for reduction entry	(230)	(205)
Other	(2,249)	(2,810)
Total	(5,351)	(7,755)
Net deferred tax assets	36,426	33,717

2. Breakdown of the main items that caused differences between the normal effective statutory tax rates and the actual effective tax rates after tax effect accounting

	Fiscal 2014	Fiscal 2015
Normal effective statutory tax rates of consolidated financial statement-submitting companies	38.0 %	35.6 %
(Reconciliation)		
Per capita levy of local taxes	4.3	4.2
Allowance for devaluation	1.2	(0.2)
Downward revision to deferred tax assets as of the end of the period due to the change in corporate tax rates	1.8	5.0
Other	1.8	1.0
Actual effective tax rates after tax effect accounting	47.1	45.6

3. Adjustment of deferred tax assets and deferred tax liabilities due to change in corporate tax rates, etc.
On March 31, 2015, the government promulgated the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 9 of 2015), and the “Act for Partial Revision of the Local Tax Act, etc.” (Act No. 2 of 2015). As a result, the normal effective statutory tax rate of 35.6% previously applied in calculating the amount of deferred tax assets and liabilities has been reduced to 33.1% with respect to the temporary differences expected to be resolved in the fiscal year beginning April 1, 2015. Also, the normal effective statutory tax rate will be further reduced to 32.3% with respect to the temporary differences expected to be resolved in the fiscal year beginning April 1, 2016, and subsequent fiscal years. This has resulted in a decrease in deferred tax assets of 3,277 million yen (after subtraction of deferred tax liabilities; of which, the effect of the tax rate change amounts to 2,912 million yen) and an increase in income taxes - deferred of 3,753 million yen (of which, the effect of the tax rate change amounts to 3,388 million yen).

(Financial Instruments)

1. Matters concerning the status of financial instruments

(1) Policy on financial instruments

To finance further business growth, the Yamato Group raises capital through bank loans and bond issuances based on a facilities investment scheme that includes the network development plan. One-time surplus funds are invested in safe financial assets. Derivative products are mainly used for hedging against variable interest rate risk, and no speculative transactions are undertaken.

Some of the Group's consolidated subsidiaries are engaged in businesses such as leasing and third-party credit sales.

(2) Features and risks of financial instruments and risk management structure

Operating receivables such as notes and accounts receivable - trade and accounts receivable - installment carry credit risk of trading partners, and thus the Company manages and controls cash received, as well as outstanding receivables, for each period to identify the credit risk of each trading partner.

Regarding investment securities, the Yamato Group mainly holds shares of companies with which the Group has business relationships or forms a capital alliance, and such shares involve the risk of stock price fluctuations.

The majority of operating payables, such as notes and accounts payable - trade, are due within one year.

Short-term loans payable and long-term loans payable are mainly used to raise capital for the Group's financial business. Some of the loans payable are procured at variable rates of interest, and the Group employs interest rate swaps for a portion of those loans to hedge interest rate risk associated with fundraising. Interest rate swap transactions are executed in conformity with the Group's regulations for authorizing derivative transactions.

Within the Yamato Group, each Group company controls liquidity risk associated with operating payables and loans by monitoring payments and settlements, bookkeeping, and balances, as well as managing cash positions.

(3) Supplemental remarks on the fair value of the financial instruments

The fair value of financial instruments refers to their market value or value reasonably calculated based on certain assumptions if market value is not available. Therefore, the estimated fair value may vary with different assumptions.

2. Matters concerning fair value of financial instruments

The amounts recorded on the consolidated balance sheet, their fair values, and differences between them are shown in the following. Some financial instruments are excluded because it is extremely difficult to identify their fair values (see Note 5).

For the year ended March 31, 2014

(Millions of yen)

	Amount on the consolidated balance sheet	Fair value	Difference
(1) Cash and deposits	220,147	220,147	—
(2) Notes and accounts receivable - trade	188,144		
Allowance for doubtful accounts	(131)		
	188,013	188,519	505
(3) Accounts receivable - installment	39,480		
Allowance for doubtful accounts	(933)		
Deferred installment income	[5,349]		
	33,197	38,319	5,121
(4) Investment securities			
Available-for-sale securities	24,795	24,795	—
(5) Notes and accounts payable - trade	[172,463]	[172,463]	—
(6) Short-term loans payable	[36,411]	[36,492]	80
(7) Long-term loans payable	[42,266]	[42,334]	68
(8) Derivatives	—	—	—

Notes:

- Items recognized as liabilities are shown in square parentheses [] both under Amount on the consolidated balance sheet and Fair value.
- Notes and accounts receivable - trade are presented after deducting allowance for doubtful accounts set up for notes and accounts receivable - trade not to be settled in the short term.
- Accounts receivable - installment is presented after deducting the relevant allowance for doubtful accounts and deferred installment income.
- Method of calculating fair value of financial instruments and other matters concerning securities and derivatives
 - Cash and deposits
Because all deposits are short-term deposits and their fair values are approximately equal to their book values, fair value is the same as book value.
 - Notes and accounts receivable - trade
Because notes and accounts receivable - trade are usually settled in a short period and their fair values are approximately equal to their book values, fair value is the same as book value. Some notes and accounts receivable - trade are grouped by their classification categories and computed on the basis of the present value of future cash flow discounted at a rate based on the yield of Japanese government bonds.
 - Accounts receivable - installment
The fair values of accounts receivable - installment are grouped by their classification categories and computed on the basis of the present value of future cash flow discounted at the rate based on market interest rate.
 - Investment securities
The fair values of listed equity shares in investment securities are based on quoted market prices. For matters concerning securities according to the purpose for which they are held, please see the notes to "Securities."
 - Notes and accounts payable - trade
As most notes and accounts payable - trade are due within one year and their fair values are approximately equal to their book values, fair value is the same as book value.
 - Short-term loans payable and (7) Long-term loans payable
The fair value of short-term loans payable, long-term loans payable, and long-term loans payable meeting the requirements of exceptional treatment for interest rate swaps and being treated together with interest swaps are computed on the basis of the total amount of principal and interest discounted at the interest rate applicable to new loans carrying the same conditions.

(8) Derivatives

- a. Derivative transactions to which hedge accounting is not applied: Not applicable.
- b. Derivative transactions to which hedge accounting is applied: The contract amount or amount equivalent to the principal set forth in the contract, as of the consolidated closing date, are as follows.

(Millions of yen)

Method of hedge accounting	Type of derivative transaction	Major hedged items	Contract amount, etc.		Fair value
				Over 1 year	
Exceptional treatment of interest rate swaps	Interest rate swaps Pay-fixed, receive-variable	Long-term loans payable	44,050	29,050	*

* The exceptional treatment of interest rate swaps is applied to the Group's interest rate swaps, and these transactions are treated together with long-term loans payable with the relevant hedging instruments. Therefore, their fair value is included among long-term loans payable.

5. It is extremely difficult to determine the fair values of unlisted securities (the amount recorded on consolidated balance sheet is 1,324 million yen) because they do not have quoted market prices and their future cash flow cannot be estimated. Therefore, they are excluded from (4) Investment securities/Available-for-sale securities.
6. Scheduled redemption amounts after the consolidated closing date for monetary claims and securities with maturity period

(Millions of yen)

	Within 1 year	Over 1 year, within 5 years	Over 5 years
Cash and deposits	220,147	—	—
Notes and accounts receivable - trade	177,095	10,975	74
Accounts receivable - installment	19,687	19,154	638
Total	416,930	30,129	713

7. Scheduled repayment amounts after the consolidated closing date for bonds with subscription rights to shares, long-term loans payable, and lease obligations

(Millions of yen)

	Within 1 year	Over 1 year, within 2 years	Over 2 years, within 3 years	Over 3 years, within 4 years	Over 4 years, within 5 years	Over 5 years
Bonds with subscription rights to shares	—	20,000	—	—	—	—
Long-term loans payable	17,156	10,006	25,656	6,603	—	—
Lease obligations	4,784	2,136	1,225	691	306	20
Total	21,941	32,142	26,882	7,294	306	20

For the year ended March 31, 2015

(Millions of yen)

	Amount on the consolidated balance sheet	Fair value	Difference
(1) Cash and deposits	247,398	247,398	—
(2) Notes and accounts receivable - trade	187,833		
Allowance for doubtful accounts	(121)		
	187,712	188,298	586
(3) Accounts receivable - installment	42,007		
Allowance for doubtful accounts	(802)		
Deferred installment income	[5,655]		
	35,550	40,979	5,428
(4) Investment securities			
Available-for-sale securities	33,016	33,016	—
(5) Notes and accounts payable - trade	[157,479]	[157,479]	—
(6) Short-term loans payable	[34,443]	[34,514]	70
(7) Long-term loans payable	[83,876]	[83,834]	(41)
(8) Derivatives	—	—	—

Notes:

- Items recognized as liabilities are shown in square parentheses [] both under Amount on the consolidated balance sheet and Fair value.
- Notes and accounts receivable - trade are presented after deducting allowance for doubtful accounts set up for notes and accounts receivable - trade not to be settled in the short term.
- Accounts receivable - installment is presented after deducting the relevant allowance for doubtful accounts and deferred installment income.
- Method of calculating fair value of financial instruments and other matters concerning securities and derivatives
 - Cash and deposits
Because all deposits are short-term deposits and their fair values are approximately equal to their book values, fair value is the same as book value.
 - Notes and accounts receivable - trade
Because notes and accounts receivable - trade are usually settled in a short period and their fair values are approximately equal to their book values, fair value is the same as book value. Some notes and accounts receivable - trade are grouped by their classification categories and computed on the basis of the present value of future cash flow discounted at a rate based on the yield of Japanese government bonds.
 - Accounts receivable - installment
The fair values of accounts receivable - installment are grouped by their classification categories and computed on the basis of the present value of future cash flow discounted at the rate based on market interest rate.
 - Investment securities
The fair values of listed equity shares in investment securities are based on quoted market prices. For matters concerning securities according to the purpose for which they are held, please see the notes to "Securities."
 - Notes and accounts payable - trade
As most notes and accounts payable - trade are due within one year and their fair values are approximately equal to their book values, fair value is the same as book value.
 - Short-term loans payable and (7) Long-term loans payable
The fair value of short-term loans payable, long-term loans payable, and long-term loans payable meeting the requirements of exceptional treatment for interest rate swaps and being treated together with interest swaps are computed on the basis of the total amount of principal and interest discounted at the interest rate applicable to new loans carrying the same conditions.

(8) Derivatives

- a. Derivative transactions to which hedge accounting is not applied: Not applicable.
- b. Derivative transactions to which hedge accounting is applied: The contract amount or amount equivalent to the principal set forth in the contract, as of the consolidated closing date, are as follows.

(Millions of yen)

Method of hedge accounting	Type of derivative transaction	Major hedged items	Contract amount, etc.		Fair value
				Over 1 year	
Exceptional treatment of interest rate swaps	Interest rate swaps Pay-fixed, receive-variable	Long-term loans payable	38,582	26,376	*

* The exceptional treatment of interest rate swaps is applied to the Group's interest rate swaps, and these transactions are treated together with long-term loans payable with the relevant hedging instruments. Therefore, their fair value is included among long-term loans payable.

5. It is extremely difficult to determine the fair values of unlisted securities (the amount recorded on consolidated balance sheet is 1,550 million yen) because they do not have quoted market prices and their future cash flow cannot be estimated. Therefore, they are excluded from (4) Investment securities/Available-for-sale securities.
6. Scheduled redemption amounts after the consolidated closing date for monetary claims and securities with maturity period

(Millions of yen)

	Within 1 year	Over 1 year, within 5 years	Over 5 years
Cash and deposits	247,398	—	—
Notes and accounts receivable - trade	174,738	12,914	180
Accounts receivable - installment	20,655	20,730	622
Total	442,792	33,644	803

7. Scheduled repayment amounts after the consolidated closing date for bonds with subscription rights to shares, long-term loans payable, and lease obligations

(Millions of yen)

	Within 1 year	Over 1 year, within 2 years	Over 2 years, within 3 years	Over 3 years, within 4 years	Over 4 years, within 5 years	Over 5 years
Bonds with subscription rights to shares	9,660	—	—	—	—	—
Long-term loans payable	16,677	32,327	41,548	10,000	—	—
Lease obligations	2,733	1,881	1,319	910	441	102
Total	29,071	34,209	42,867	10,910	441	102

(Securities)

For the year ended March 31, 2014

1. Available-for-sale securities

(Millions of yen)

	Type	Amount on the consolidated balance sheet	Acquisition cost	Difference
Those whose value recorded on the consolidated balance sheet exceeds the acquisition cost	(1) Stocks	24,522	12,484	12,037
	(2) Bonds	—	—	—
	(3) Other	—	—	—
	Subtotal	24,522	12,484	12,037
Those whose value recorded on the consolidated balance sheet does not exceed the acquisition cost	(1) Stocks	273	292	(19)
	(2) Bonds	—	—	—
	(3) Other	—	—	—
	Subtotal	273	292	(19)
Total		24,795	12,776	12,018

Note: It is extremely difficult to determine the fair values of unlisted securities (the amount recorded on consolidated balance sheet is 1,324 million yen) because they do not have quoted market prices. Therefore, they are excluded from the above table of "Available-for-sale securities."

2. Available-for-sale securities sold during the year ended March 31, 2014

(Millions of yen)

Type	Sale amount	Total capital gains	Total capital losses
(1) Stocks	431	0	—
(2) Bonds	—	—	—
(3) Other	—	—	—
Total	431	0	—

3. Securities on which impairment losses were recognized

For the fiscal year under review, the Company recognized impairment losses of 3 million yen on securities. The Company recognizes impairment losses on all listed shares if their market value is no more than 70% of the book value as of the end of the fiscal year. We recognize impairment losses on other securities in the amount considered necessary if their actual value as of the end of the fiscal year dropped by 30% or more compared to their book value, taking into account the possibility of collection, etc.

For the year ended March 31, 2015

1. Available-for-sale securities

(Millions of yen)

	Type	Amount on the consolidated balance sheet	Acquisition cost	Difference
Those whose value recorded on the consolidated balance sheet exceeds the acquisition cost	(1) Stocks	32,761	13,500	19,260
	(2) Bonds	—	—	—
	(3) Other	—	—	—
	Subtotal	32,761	13,500	19,260
Those whose value recorded on the consolidated balance sheet does not exceed the acquisition cost	(1) Stocks	255	293	(37)
	(2) Bonds	—	—	—
	(3) Other	—	—	—
	Subtotal	255	293	(37)
Total		33,016	13,793	19,222

Note: It is extremely difficult to determine the fair values of unlisted securities (the amount recorded on consolidated balance sheet is 1,550 million yen) because they do not have quoted market prices. Therefore, they are excluded from the above table of "Available-for-sale securities."

2. Available-for-sale securities sold during the year ended March 31, 2015

(Millions of yen)

Type	Sale amount	Total capital gains	Total capital losses
(1) Stocks	14	6	—
(2) Bonds	—	—	—
(3) Other	—	—	—
Total	14	6	—

3. Securities on which impairment losses were recognized
Not applicable.

(Retirement Benefit)

1. Outline of retirement benefit plan

The Yamato Group adopts a contributory trusted pension plan based on a cash balance scheme and an unfunded retirement benefit plan as its defined benefit pension system. In addition, the Yamato Group Life Plan pension scheme was introduced as a defined contribution retirement plan.

2. Defined benefit plans

(1) Reconciliation of retirement benefit obligation beginning and ending balances

	(Millions of yen)	
	Fiscal 2014	Fiscal 2015
Retirement benefit obligation at beginning of period	112,492	119,135
Cumulative effects of changes in accounting policies	—	6,312
Restated balance	112,492	125,447
Service cost	8,910	9,703
Interest cost	1,442	1,097
Actuarial difference arising during period	744	1,917
Retirement benefits paid	(4,458)	(5,040)
Prior service cost arising during period	3	—
Other	(0)	—
Retirement benefit obligation at end of period	119,135	133,126

Note: Some consolidated subsidiaries adopt a simplified method of calculating retirement benefit obligations.

(2) Reconciliation of pension asset beginning and ending balances

	(Millions of yen)	
	Fiscal 2014	Fiscal 2015
Pension assets at beginning of period	64,926	72,078
Expected return	649	720
Actuarial difference arising during period	4,516	5,269
Employer contributions	3,880	4,137
Retirement benefits paid	(1,893)	(1,847)
Pension assets at end of period	72,078	80,358

(3) Reconciliation of ending balances of retirement benefit obligations and pension assets with consolidated balance sheet net defined benefit assets and liabilities

	(Millions of yen)	
	Fiscal 2014	Fiscal 2015
Retirement benefit obligations of funded plans	50,035	53,414
Pension assets	(72,078)	(80,358)
	(22,043)	(26,943)
Retirement benefit obligations of unfunded plans	69,100	79,711
Net of consolidated balance sheet assets and liabilities	47,056	52,767
Net defined benefit liability	47,224	53,023
Net defined benefit asset	(167)	(255)
Net of consolidated balance sheet assets and liabilities	47,056	52,767

Note: These figures combine offsetting amounts for net defined benefit assets and liabilities that have been stated by the Company and its individual consolidated subsidiaries.

(4) Retirement benefit expense and its components

	(Millions of yen)	
	Fiscal 2014	Fiscal 2015
Service cost	8,910	9,703
Interest cost	1,442	1,097
Expected return	(649)	(720)
Recognized actuarial difference	3,047	398
Recognized prior service cost	3	—
Other	(5)	(12)
Retirement benefit expense related to defined benefit plans	12,749	10,467

(5) Remeasurements of defined benefit plans, net of tax

The following table provides a breakdown of the components making up remeasurements of defined benefit plans, net of tax (pre-tax).

	(Millions of yen)	
	Fiscal 2014	Fiscal 2015
Actuarial difference	—	3,750
Total	—	3,750

(6) Remeasurements of defined benefit plans

The following table provides a breakdown of the components making up remeasurements of defined benefit plans (pre-tax).

	(Millions of yen)	
	Fiscal 2014	Fiscal 2015
Unrecognized actuarial difference	(2,683)	1,067
Total	(2,683)	1,067

(7) Pension assets

a. Primary components of pension assets

Pension asset components as a percentage of total pension assets are as follows.

	Fiscal 2014	Fiscal 2015
General accounts	34%	31%
Bonds	26%	24%
Stocks	21%	24%
Other	19%	21%
Total	100%	100%

b. Method of determining long-term expected rate of return

The long-term expected rate of return for pension assets is determined on the basis of the distribution of pension assets, past performance of respective assets that make up pension plan investments, and market trends.

(8) Matters concerning actuarial assumptions

Primary actuarial assumptions

	Fiscal 2014	Fiscal 2015
Discount rate	1.3%	0.9%
Long-term expected rate of return	1.0%	1.0%

3. Defined contribution retirement plan

Required contributions to the defined contribution retirement plan of the Company and its consolidated subsidiaries amount to 2,089 million yen and 2,136 million yen for the fiscal year ended March 31, 2014 and 2015, respectively.

(Per Share Information)

	Fiscal 2014	Fiscal 2015
Net assets per share	1,316.12 yen	1,368.66 yen
Net income per share	82.22 yen	90.41 yen
Net income per share - fully diluted	80.18 yen	88.26 yen

Note: The basis for calculating “net income per share” and “net income per share - fully diluted” is as follows.

	Fiscal 2014	Fiscal 2015
Net income per share		
Net income	34,776 million yen	37,533 million yen
Amount not belonging to ordinary shareholders	— million yen	— million yen
Net income concerning common shares	34,776 million yen	37,533 million yen
Average number of shares during the period	422,941 thousand shares	415,131 thousand shares
Net income per share - fully diluted		
Adjustments in net income	— million yen	5 million yen
(Administrative fees (net of tax))	(— million yen)	(5 million yen)
Increase in number of common shares	10,810 thousand shares	10,187 thousand shares
(Bonds with subscription rights to shares)	(10,810 thousand shares)	(10,187 thousand shares)
Potential shares that have no dilutive effects and thus are not included in the calculation of “net income per share - fully diluted.”	—	—

(Important Subsequent Matters)

Not applicable.

(Other Notes, etc.)

Notes regarding “lease transactions,” “related party transactions,” “derivative transactions,” and “asset retirement obligations” are omitted, as there is no significant necessity of disclosure in this financial results report.

6. Others

Operating revenue by business

(Millions of yen)

Business segment		Fiscal year ended March 31, 2014	Ratio	Fiscal year ended March 31, 2015	Ratio	Change
			%		%	%
Delivery	TA-Q-BIN	958,573	69.7	969,923	69.4	1.2
	Kuroneko Mail	126,035	9.2	116,619	8.4	(7.5)
	Express	45,047	3.3	42,918	3.1	(4.7)
	Others *1	68,023	4.9	72,280	5.2	6.3
	Eliminations	(98,279)	(7.1)	(100,302)	(7.2)	2.1
	Total	1,099,399	80.0	1,101,438	78.9	0.2
BIZ-Logistics	Trading logistics service	39,037	2.8	43,215	3.1	10.7
	Sales and Logistics	31,103	2.3	34,767	2.5	11.8
	Multi maintenance	9,870	0.7	15,689	1.1	59.0
	Export Factory	3,781	0.3	4,185	0.3	10.7
	Others	36,311	2.7	39,416	2.8	8.6
	Eliminations	(29,850)	(2.2)	(33,453)	(2.4)	12.1
	Total	90,254	6.6	103,821	7.4	15.0
Home Convenience	Home convenience	42,801	3.1	41,561	3.0	(2.9)
	Business convenience *2	17,060	1.2	16,665	1.2	(2.3)
	Technical Network *2	3,047	0.2	4,817	0.3	58.1
	Eliminations	(14,186)	(1.0)	(14,568)	(1.0)	2.7
	Total	48,723	3.5	48,475	3.5	(0.5)
e-Business	e-logistics solution	10,766	0.8	11,254	0.8	4.5
	Credit card solution	7,890	0.6	8,087	0.6	2.5
	IT operating solution *3	6,207	0.5	6,253	0.4	0.7
	Web-based mail order solution *3	6,071	0.4	6,074	0.4	0.1
	Others *1 *3	38,801	2.8	40,075	2.9	3.3
	Eliminations	(28,905)	(2.1)	(31,258)	(2.2)	8.1
	Total	40,831	3.0	40,486	2.9	(0.8)
Financial	TA-Q-BIN Collect	40,178	2.9	37,558	2.7	(6.5)
	Lease	20,896	1.5	27,065	1.9	29.5
	Credit & Finance	3,239	0.2	3,354	0.2	3.6
	Others	2,061	0.2	2,160	0.2	4.8
	Eliminations	(3,647)	(0.3)	(3,481)	(0.2)	(4.5)
	Total	62,727	4.5	66,658	4.8	6.3
Autoworks	Truck maintenance	49,651	3.6	51,122	3.6	3.0
	Others	6,507	0.5	7,070	0.5	8.7
	Eliminations	(30,508)	(2.2)	(31,039)	(2.2)	1.7
	Total	25,650	1.9	27,153	1.9	5.9
Other	JITBOX Charter service	4,677	0.3	6,035	0.4	29.0
	Others	64,434	4.7	63,598	4.6	(1.3)
	Eliminations	(62,089)	(4.5)	(60,958)	(4.4)	(1.8)
	Total	7,022	0.5	8,675	0.6	23.5
Total		1,374,610	100.0	1,396,708	100.0	1.6

The notes below describe changes to business segment classifications effective from the fiscal year ended March 31, 2015, made in accordance with actual circumstances related to management and administration. The figures presented for the fiscal year ended March 31, 2014, have been restated in accordance with this change.

*1. The contact service business, previously included in the Others category of the e-Business, is now presented in the Others category of the Delivery Business.

- *2. In the Home Convenience Business, the Technical Network, previously included in the Business convenience category, is now presented separately in its own category.
- *3. In the e-Business, the Telecommunications network, previously included in the Others category, is now presented in the IT operating solution category; and the chain store solutions, previously included in the Web-based mail order solution category, is now presented in the Others category.

7. Non-consolidated Financial Statements

(1) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	121,668	145,117
Operating accounts receivable	22	12
Short-term loans receivable	11,434	15,246
Deferred tax assets	246	92
Income taxes receivable	4,945	4,536
Other	1,170	470
Total current assets	139,489	165,476
Non-current assets		
Property, plant and equipment		
Vehicles	14	8
Buildings	683	738
Tools, furniture and fixtures	57	33
Land	5,840	5,840
Other	22	19
Total property, plant and equipment	6,618	6,641
Intangible assets		
Software	1,858	1,487
Other	1	1
Total intangible assets	1,859	1,489
Investments and other assets		
Investment securities	19,549	26,355
Shares of subsidiaries and associates	292,251	294,806
Long-term loans receivable	31,655	38,055
Other	99	103
Allowance for investment loss	(1,927)	(5,301)
Total investments and other assets	341,628	354,019
Total non-current assets	350,107	362,150
Total assets	489,597	527,627

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Operating accounts payable	399	304
Short-term loans payable	—	6,653
Current portion of bonds with subscription rights to shares	—	9,660
Income taxes payable	34	64
Accrued expenses	47	51
Deposits received	83,453	116,018
Provision for bonuses	52	51
Other	258	288
Total current liabilities	84,247	133,091
Non-current liabilities		
Bonds with subscription rights to shares	20,000	—
Long-term loans payable	—	11,129
Deferred tax liabilities	1,494	3,264
Provision for retirement benefits	67	76
Provision for loss on business of subsidiaries and associates	—	1,804
Other	138	138
Total non-current liabilities	21,699	16,413
Total liabilities	105,946	149,504
Net assets		
Shareholders' equity		
Capital stock	127,234	127,234
Capital surplus		
Legal capital surplus	36,822	36,822
Other capital surplus	64,041	32,552
Total capital surplus	100,863	69,375
Retained earnings		
Other retained earnings		
General reserve	174,965	188,965
Retained earnings brought forward	29,161	23,724
Total retained earnings	204,127	212,690
Treasury shares	(56,079)	(43,007)
Total shareholders' equity	376,146	366,292
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	7,503	11,830
Total valuation and translation adjustments	7,503	11,830
Total net assets	383,650	378,122
Total liabilities and net assets	489,597	527,627

(2) Non-consolidated statement of income

(Millions of yen)

	For the year ended March 31, 2014	For the year ended March 31, 2015
Operating revenue	29,197	27,756
Selling, general and administrative expenses	4,790	4,684
Operating income	24,407	23,071
Non-operating income		
Interest and dividend income	684	866
Other	363	587
Total non-operating income	1,047	1,454
Non-operating expenses		
Interest expenses	24	60
Other	86	50
Total non-operating expenses	111	110
Ordinary income	25,343	24,415
Extraordinary loss		
Loss on valuation of shares of subsidiaries and associates	2,526	—
Provision of allowance for investment loss	1,590	3,374
Provision for loss on business of subsidiaries and associates	—	1,804
Other	0	2
Total extraordinary losses	4,116	5,181
Income before income taxes	21,226	19,234
Income taxes - current	91	142
Income taxes - deferred	343	459
Total income taxes	435	601
Net income	20,791	18,632

(3) Non-consolidated statement of changes in equity

For the year ended March 31, 2014

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance at beginning of current period	127,234	36,822	74,468	111,290	174,965	18,539	193,504
Changes of items during period							
Dividends of surplus						(10,169)	(10,169)
Net income						20,791	20,791
Purchase of treasury shares							
Disposal of treasury shares			0	0			
Retirement of treasury shares			(10,427)	(10,427)			
Net changes of items other than shareholders' equity							
Total changes of items during period	—	—	(10,427)	(10,427)	—	10,622	10,622
Balance at end of current period	127,234	36,822	64,041	100,863	174,965	29,161	204,127

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
Balance at beginning of current period	(56,495)	375,534	5,461	380,996
Changes of items during period				
Dividends of surplus		(10,169)		(10,169)
Net income		20,791		20,791
Purchase of treasury shares	(10,011)	(10,011)		(10,011)
Disposal of treasury shares	0	0		0
Retirement of treasury shares	10,427	—		—
Net changes of items other than shareholders' equity			2,041	2,041
Total changes of items during period	416	611	2,041	2,653
Balance at end of current period	(56,079)	376,146	7,503	383,650

For the year ended March 31, 2015

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance at beginning of current period	127,234	36,822	64,041	100,863	174,965	29,161	204,127
Cumulative effects of changes in accounting policies						(5)	(5)
Restated balance	127,234	36,822	64,041	100,863	174,965	29,156	204,122
Changes of items during period							
Dividends of surplus						(10,065)	(10,065)
Net income						18,632	18,632
Purchase of treasury shares							
Disposal of treasury shares			18	18			
Retirement of treasury shares			(31,507)	(31,507)			
Provision of general reserve					14,000	(14,000)	—
Net changes of items other than shareholders' equity							
Total changes of items during period	—	—	(31,488)	(31,488)	14,000	(5,432)	8,567
Balance at end of current period	127,234	36,822	32,552	69,375	188,965	23,724	212,690

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
Balance at beginning of current period	(56,079)	376,146	7,503	383,650
Cumulative effects of changes in accounting policies		(5)		(5)
Restated balance	(56,079)	376,141	7,503	383,645
Changes of items during period				
Dividends of surplus		(10,065)		(10,065)
Net income		18,632		18,632
Purchase of treasury shares	(30,587)	(30,587)		(30,587)
Disposal of treasury shares	12,152	12,170		12,170
Retirement of treasury shares	31,507	—		—
Provision of general reserve		—		—
Net changes of items other than shareholders' equity			4,326	4,326
Total changes of items during period	13,071	(9,849)	4,326	(5,522)
Balance at end of current period	(43,007)	366,292	11,830	378,122