

Consolidated Financial Results for the Year Ended March 31, 2014 <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 24, 2014

Scheduled date of the commencement of dividend payment: June 3, 2014

Scheduled date of the submission of annual securities report: June 20, 2014

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

(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, 2014	1,374,610	7.2	63,096	(4.7)	64,664	(4.9)	34,776	(1.0)
March 31, 2013	1,282,373	1.7	66,202	(0.7)	67,991	0.1	35,144	77.6

(Note) Comprehensive income: For the year ended March 31, 2014: 39,225 million yen (0.7 %)
 For the year ended March 31, 2013: 38,954 million yen (86.9 %)

	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, 2014	82.22	80.18	6.4	6.5	4.6
March 31, 2013	81.85	79.84	6.7	7.3	5.2

(Reference) Equity in earnings of affiliates: For the year ended March 31, 2014: — million yen
 For the year ended March 31, 2013: — 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, 2014	1,032,134	560,172	53.4	1,316.12
March 31, 2013	950,152	542,914	56.2	1,261.35

(Reference) Equity: As of March 31, 2014: 551,379 million yen As of March 31, 2013: 534,451 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, 2014	80,075	(64,935)	(9,033)	219,395
March 31, 2013	73,949	(50,539)	(21,022)	212,641

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 2013	—	11.00	—	12.00	23.00	9,816	28.1	1.9
Fiscal 2014	—	12.00	—	12.00	24.00	10,111	29.2	1.9
Fiscal 2015 (Forecast)	—	12.00	—	12.00	24.00		24.5	

3. Consolidated earnings forecasts for fiscal year 2015 (from April 1, 2014 to March 31, 2015)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year	688,000	4.9	21,000	(10.1)	21,500	(10.1)	11,500	(7.1)	27.45
Full year	1,437,000	4.5	70,000	10.9	71,000	9.8	41,000	17.9	97.87

* Notes

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

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

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

(Note) For details, please see "4. Accounting policies, (4) Method of accounting for retirement benefits" of the attached materials to the financial results report on page 25.

(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, 2014: 454,684,992 shares

As of March 31, 2013: 461,345,492 shares

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

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

As of March 31, 2013: 37,631,001 shares

c. Average number of shares during the period

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

For the year ended March 31, 2013: 429,377,413 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 46.

(Reference) Overview of non-consolidated financial results**1. Non-consolidated financial results for fiscal year 2014 (from April 1, 2013 to March 31, 2014)****(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, 2014	29,197	28.6	24,407	32.8	25,343	32.1	20,791	66.4
March 31, 2013	22,697	60.2	18,373	65.8	19,188	61.5	12,497	29.6

	Net income per share	Net income per share - fully diluted
For the year ended	Yen	Yen
March 31, 2014	49.16	47.94
March 31, 2013	29.10	28.39

(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, 2014	489,597	383,650	78.4	915.76
March 31, 2013	466,899	380,996	81.6	899.18

(Reference) Equity: As of March 31, 2014: 383,650 million yen As of March 31, 2013: 380,996 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" on pages 5 to 10.
- The Company plans to hold a financial results meeting for analysts on May 1, 2014. 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

With respect to the business environment during the fiscal year ended March 31, 2014, the internet mail-order market continued to expand, while consumer spending, corporate earnings and employment showed signs of recovery. Meanwhile, in the fourth quarter consumer spending gained further momentum fueled by last-minute demand emerging ahead of the consumption tax hike. Operating in this environment, the Yamato Group worked to establish new networks that will realize a revolution in logistics, create new services, and achieve greater sophistication of its existing businesses in order to achieve the objectives of the Long-Term Management Plan "DAN-TOTSU Management Plan 2019" and the Medium-Term Management Plan "DAN-TOTSU Three-Year Plan HOP."

In the Delivery Business, revenues steadily climbed due to a significant increase in TA-Q-BIN delivery volumes amid growth in the internet mail-order market and surging demand ahead of the consumption tax hike. Nevertheless, earnings declined as a consequence of greatly increased one-time expenses incurred for initiatives that included building a framework to improve "Cool TA-Q-BIN" quality, setting up collection and delivery mechanisms in line with increasing TA-Q-BIN delivery volumes, and addressing issues caused by heavy record-level snowfalls in February.

In the non-delivery businesses, we provided a diverse range of services drawing on various managerial resources with respect to information, logistics and transaction settlement. At the same time, we aggressively pursued proposal-based sales through alliances with respective Group companies, with the aim of helping corporate clients find solutions to management challenges.

As a result, our consolidated financial results for the year ended March 31, 2014 were as follows.

(Millions of yen)				
Item	Fiscal 2013	Fiscal 2014	Change	Growth (%)
Operating revenue	1,282,373	1,374,610	92,236	7.2
Operating income	66,202	63,096	(3,106)	(4.7)
Ordinary income	67,991	64,664	(3,327)	(4.9)
Net income	35,144	34,776	(368)	(1.0)

During the fiscal year ended March 31, 2014, we repurchased treasury shares of 4.76 million shares, for a total acquisition cost of about 10.0 billion yen, and retired 6.66 million shares of treasury shares as measures for shareholder return, based on a resolution passed at the Board of Directors meeting on January 29, 2014.

Initiatives for the entire Yamato Group

- a. In order to contribute to growth strategies for the Japanese economy, the Yamato Group is promoting strategies based on a "Value Networking" design that will bring about a revolution in logistics. We are also involved in establishing partnership platforms with government bodies and other companies as part of initiatives aimed at revitalizing local communities throughout Japan.
- b. Under strategies pursued based on our "Value Networking" design, we completed multiple large-scale projects such as our "Haneda Chronogate" and "Atsugi Gateway" facilities, and otherwise took steps to overhaul our network infrastructure. Meanwhile, in the Southeast Asian region we established YAMATO ASIA PTE. LTD. to act as a headquarters in that region, and otherwise hastened the pace of business development while strengthening governance practices. With respect to services, we expanded our international transportation offerings beginning with our "International Cool TA-Q-BIN" services, and otherwise endeavored to create new value through logistics.
- c. To establish platforms that will facilitate partnerships with government bodies and other companies, we engaged in wide-ranging efforts that involved making Yamato Group managerial resources and capabilities available by engaging in initiatives that include providing services for the elderly involving shopping on their behalf and checking on their well-being, supporting the tourism industry, and concluding disaster cooperation agreements with numerous local government bodies.

Summary of each operating segment

● Delivery

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

Category	(Million parcels/units)			
	Fiscal 2013	Fiscal 2014	Change	Growth (%)
TA-Q-BIN	1,487	1,665	178	12.0
Kuroneko Mail	2,112	2,084	(28)	(1.3)

- a. In the Delivery Business, the Yamato Group concentrated on TA-Q-BIN-centered business evolution, aiming to provide infrastructure that best suits our customers and contribute to enriching people's lives.
- b. To address our failure to fully implement in-house rules for the "Cool TA-Q-BIN" delivery service, which came to light in October last year, we have taken steps to ensure sound temperature control in part by establishing a division with full-time employees dedicated to the task of maintaining and improving service quality, and also by encouraging adoption of requisite equipment and supplies. We also worked toward systemic improvements in order to facilitate better delivery quality, even at times when grappling with considerable increases in TA-Q-BIN delivery volumes.
- c. The Yamato Group took steps to provide individual customers with greater convenience through our services. For instance, we have made it possible for customers of our "Kuroneko Members" service to change delivery receipt dates and times through our online parcel inquiry system, and we have also increased the number of convenience store locations where customers can pick up their TA-Q-BIN deliveries.
- d. TA-Q-BIN delivery volumes increased significantly with respect to corporate clients. This was partially a result of using our Group-wide capabilities to simultaneously provide TA-Q-BIN shipping services and various forms of added value, and also due to factors such as an expanding internet mail-order market and the emergence of last-minute demand running up to the consumption tax increase.
- e. Operating revenue amounted to 1,098,692 million yen, up 6.9% from the year-ago period, as a result of a large increase in TA-Q-BIN delivery volume. Operating income amounted to 35,873 million yen, down 14.4% from the year-ago period, as a consequence of greatly increased one-time expenses such as building a framework to improve "Cool TA-Q-BIN" quality, setting up collection and delivery mechanisms in line with increasing TA-Q-BIN delivery volumes, and addressing issues caused by heavy record-level snowfalls in February.

● 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 international transportation functions and logistics functions.
- b. For corporate clients requiring international transportation, the Yamato Group provides a variety of services, including air and sea transportation services, small-lot international intermodal transportation service that is interlinked with the TA-Q-BIN network, as well as a packaging and customs services. During the fiscal year ended March 31, 2014, we made moves to further strengthen our international logistics capabilities, such that involved establishing the "Akita Ryutsu Trinity Center" and the "Keihinjima Ryutsu Trinity Center," both of which are designed to support small- and mid-sized companies in their global expansion efforts.
- c. With respect to the Yamato Group's services geared toward the mail-order industry and business-to-business delivery and procurement logistics, we have been expanding into wide ranging services designed to address customer demands such that include offering shipping services, providing support for placing and accepting orders, and enabling customers to visually monitor product inventories. During the fiscal year ended March 31, 2014, we strove to broaden our scope of business through efforts that included introducing our proprietary "FRAPS" logistics system, which is designed to realize "shortening lead times" and "distribution inventory reduction," in new Yamato Group facilities such as "Haneda Chronogate," "Atsugi Gateway" and "Kumamoto flow-through center."
- d. Operating revenue amounted to 90,254 million yen, up 4.0% from the year-ago period mainly due to the increased use of services by the mail-order industry and by the pharmaceuticals and medical devices

related industries, despite a decline in the delivery volume of trade freight. Operating income was 3,403 million yen, down 16.9% from the year-ago period as our efforts to reduce subcontracting expenses were not enough to cover the decline in the delivery volume of trade freight.

● **Home Convenience**

- a. In the Home Convenience Business, we are working toward enabling customers to achieve greater convenience and comfort in their lives by providing lifestyle support services that draw on the Yamato Group's nationwide network.
- b. With respect to individual customers, the Yamato Group has been expanding its services for providing daily lifestyle support such as our "Raku Raku Household TA-Q-BIN" service for delivering large furniture items and home appliances, and our moving-related services. During the fiscal year ended March 31, 2014, we launched sales initiatives with respect to our "Comfortable Lifestyle Support Service" which helps customers eliminate everyday inconveniences involving house cleaning and collection of unwanted items.
- c. With respect to services for corporate clients, we provide office relocation services, event support services, as well as delivery and installation agent services involving consumer durables and products. Over the fiscal year ended March 31, 2014, we have been offering services entailing solutions platforms tailored to customer needs such as in the areas of logistics processing, installation and maintenance involving household and commercial equipment.
- d. Operating revenue amounted to 48,723 million yen, up 9.2% from the year-ago period as a result of expansion of our delivery and installation-agent services for mail-order firms and equipment manufacturers. Operating income was at 217 million yen, thereby marking a shift into positive territory for an improvement of 744 million yen from the year-ago period.

● **e-Business**

- a. In the e-Business, the Yamato Group helps customers streamline their business processes and solve potential issues by proactively proposing solutions that combine logistics technology and financial technology functions with information technology function.
- b. With respect to services to assist with mail-order operations, the Yamato Group offers functions to comprehensively support various operations from website construction to receipt of product orders, dispatch information processing, printing of delivery slips and freight tracking. In the fiscal year ended March 31, 2014, in sales of order management and sales support systems, there was firm growth in new users.
- c. In the e-money related services, the Yamato Group offers solutions through collaboration between the e-Business and the Financial Business. It has been promoting installation and operation of a "Multi e-money Settlement Terminal" that allows settlement by multiple types of e-money with a single device. In the fiscal year ended March 31, 2014, we worked to further expand our e-money related services through initiatives that included increasing terminal sales to food and drink industry customers and other clients and taking part in trials of e-money settlement systems installed in amusement facilities.
- d. Operating revenue amounted to 41,537 million yen, up 12.1% from the year-ago period, largely due to the growth of the mail-order related services and the e-money related services. Operating income was 7,954 million yen, up 13.8% from the year-ago period.

● **Financial**

- a. In the Financial Business, the Yamato Group is endeavoring to respond to every means of payment settlement to meet the needs of customers from payment collection on mail-order product delivery to B2B transaction settlement.
- b. With respect to our internet mail-order market customers, in addition to providing our mainstay product "TA-Q-BIN Collect," we also pushed to expand sales with 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. Throughout the fiscal year ended March 31, 2014, we worked to offer better service content through efforts that included expanding capabilities of our "Kuroneko Web Collect" service with the addition of a "repeat-user settlement function" and a "layaway

purchase function,” and also by providing an e-money settlement terminal rental service that provides temporary use of such units at sales events.

- c. In the area of business-to-business settlement services, we have been developing the “Kuroneko Anshin Settlement Service” which is designed to assist sellers in their efforts to expand sales channels and better enable buyers to perform credit transactions, while also providing value by improving business efficiency and reducing risks associated with debt collection. During the fiscal year ended March 31, 2014, performance of our B2B settlement services in terms of total handling volume and operating revenue for the year ended March 31, 2014 surpassed that of the year-ago period. This was partially a result of efforts geared toward improving the services by speeding up buyer screening and enabling users to submit applications online, and also due to initiatives in conjunction with the Delivery Business in promoting the services to our current base of participating stores.
- d. In our lease services business, we draw mainly on our truck leasing capabilities in our efforts to provide management support tailored to transportation companies and distribution-related entities. During the fiscal year ended 31, 2014, we helped our customers expand their operations through efforts that included collaborating with the Autoworks Business in introducing our customers to quality, fully-maintained, pre-owned trucks, and by delivering services for ensuring safety, environmental conservation and quality enhancement.
- e. Operating revenue amounted to 62,727 million yen, up 10.6% from the year-ago period, mainly owing to the increased volume of TA-Q-BIN Collect and the increased number of e-money settlement transactions due to the increased number of businesses with large mail-order companies. Operating income was 9,405 million yen, up 10.4% from the year-ago period.

● Autoworks

- a. Effective from the fiscal year ended March 31, 2014, Truck Maintenance has been renamed Autoworks.
- b. In the Autoworks Business, the Yamato Group is offering primarily customers who use trucks, buses and other vehicles in their operations the value of improved vehicle maintenance convenience, 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 along with insurance agency services where we offer insurance plans tailored to customer needs.
- c. In the fiscal year ended March 31, 2014, there was steady growth in numbers of vehicles serviced due in part to increased business for a “24-hours-a-day, 365-days-a-year service that enables customers to service their vehicles without stopping operation,” and also owing to a firm increase in use of our “12-Month Fixed-Price Maintenance Package,” a service which evens out monthly vehicle maintenance expenses. We also launched operations of our Nagoya Plant, promoted sales of a simplified digital tachograph, expanded business involving basic vehicle repair, inspection and other such services which are performed on-site at customer business locations, and otherwise worked toward hastening expansion of business with respect to both facilities and services.
- d. Operating revenue amounted to 25,650 million yen, up 10.4% from the year-ago period due to an increase in the number of vehicles serviced. Operating income was 3,272 million yen, up 22.7% from the year-ago period.

● Other

- a. The “JITBOX Charter service” provides transportation by transport box. The service takes advantage of its Group network consisting of multiple companies and provides value to customers through timely delivery and frequent, right-volume delivery. In the fiscal year ended March 31, 2014, handling volume increased steadily, mainly as a result of growth in service usage by customers including manufacturing companies and an increase in transportation orders related to events.
- b. Operating income in Other excluding dividends which Yamato Holdings Co., Ltd. received from the Group companies increased 6.3% from the year-ago period to 955 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, 2014, a total of more than 2.3 million people have now

participated in the “Safety Classes for Children” that the Group has continuously conducted as an initiative to provide a local community-oriented service. In addition, the Group promoted various initiatives such as conducting the “Zero Accident Campaign” which is a safety campaign deployed horizontally throughout the entire group, and the introduction and expansion of on-board systems designed with safety in mind.

- b. The Yamato Group has formulated “Nekology” (combining “Kuroneko” with “ecology”), which is an environmental protection philosophy and guideline for environmental activities for the entire Group, and is taking the initiative to proactively promote environmental protection activities. During the fiscal year ended March 31, 2014, the Group embarked on various initiatives premised on our “Nekology” philosophy, even exhibiting at Japan’s largest environmental trade fair, “Eco-products 2013,” in order to communicate details of such initiatives to wider audience and so that we can engage in activities geared toward protecting the environment together with local communities.
- c. Aspiring to be a company that has a strong bond of trust with the local community, the Yamato Group promotes various activities to help realize a society in which disabled people can freely enjoy a lifestyle as a member of the workforce. For example, led by Yamato Welfare Foundation, we actively employ disabled people in the Swan Bakery that makes and sells bread, provide workplaces through the consigned delivery of Kuroneko Mail, and operate job-finding support facilities that conduct training of skills and knowledge necessary for employment.
- d. Aiming to create more sustainable social value, the Yamato Group promoted initiatives for sharing value with society based on “Creating Shared Value (CSV).” During the fiscal year ended March 31, 2014, the Yamato Group worked in collaboration with local governments on more than 550 separate occasions in the course of providing services that draw our managerial resources. In this regard, our efforts included keeping a protective eye on elderly citizens and lending support to the tourism industry.

Outlook for fiscal 2015

Looking ahead at the economy, we envisage some downside in the Japanese economy on the one hand as it recoils in the wake of last-minute demand arising ahead of the consumption tax hike, yet we also anticipate gradual recovery centered on consumer spending in line with factors such as an improving employment environment. Still, the overseas economic outlook is bound to remain uncertain.

In this environment, the Yamato Group will take steps to establish a base for revenue generation through efforts of our Delivery Business to increase delivery volumes primarily in the corporate market, and by pursuing initiatives that bring about better service quality and ensure our receipt of adequate fees. In the non-delivery business, we will expand the revenue base by continuing to creating new businesses and further reinforce solution sales to accelerate our growth potential.

On the cost front, we aim to enhance our cost competitiveness by further pursuing reforms in the pickup and delivery operations tailored to regional characteristics, while improving productivity.

We expect operating revenue will be 1,437.0 billion yen, with operating income at 70.0 billion yen, ordinary income at 71.0 billion yen and net income at 41.0 billion yen.

(2) Analysis of financial position

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

Total assets were 1,032,134 million yen as of March 31, 2014, up 81,981 million yen from the end of the previous fiscal year. The major factors in this were increases in notes and accounts receivable - trade of 24,355 million yen and in property, plant and equipment of 33,970 million yen mainly due to construction of the “Haneda Chronogate” and “Atsugi Gateway” facilities.

Liabilities were 471,961 million yen as of March 31, 2014, up 64,723 million yen from the end of the previous fiscal year. The major factors behind this increase were increases in notes and accounts payable - trade of 34,174 million yen and in loans payable of 16,654 million yen.

Total net assets were 560,172 million yen, up 17,257 million yen from the end of the previous fiscal year. The major factor included 34,776 million yen in net income, 10,169 million yen in dividends of surplus and the repurchase of treasury shares of 10,011 million yen.

Accordingly, the equity ratio decreased by 2.8% from the end of the previous fiscal year to 53.4%.

Net cash provided by operating activities amounted to 80,075 million yen, which is an increase of 6,125 million yen compared to the previous fiscal year. The major factors here included 65,882 million yen in net income before income taxes and minority interests and 42,283 million yen in depreciation, which combined generated a 5,938 million yen increase in cash inflows over the previous fiscal year.

Net cash used in investing activities was 64,935 million yen, which is an increase of 14,396 million yen compared to the previous fiscal year. The major reason for the year-on-year difference was an increase in cash used for the purchase of property, plant and equipment of 65,211 million yen, an increase of 18,113 million yen compared to the previous fiscal year, partially for the “Haneda Chronogate” and “Atsugi Gateway” construction projects.

Net cash used in financing activities was 9,033 million yen. The amount of net cash used decreased by 11,989 million yen compared to the previous fiscal year. The year-on-year decrease is largely attributable to a more favorable net balance of loans payable, which stood at 16,140 million yen for an improvement of 12,505 million yen compared to the previous fiscal year.

As a result, cash and cash equivalents were 219,395 million yen as of March 31, 2014, up 6,753 million yen from the end of the previous fiscal year.

b. Trends in cash flows

	145th term Fiscal 2010	146th term Fiscal 2011	147th term Fiscal 2012	148th term Fiscal 2013	149th term Fiscal 2014
Equity ratio (%)	58.4	57.3	56.0	56.2	53.4
Equity ratio on market value basis (%)	67.9	63.0	59.8	77.6	90.3
Ratio of interest-bearing debts to cash flows	1.1	1.2	1.3	1.3	1.3
Interest coverage ratio	44.1	57.9	57.0	75.8	110.5

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 2014 and 2015

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 12 yen dividend per share, bringing the annual dividend to 24 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 consolidated net income 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), 44 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 (China) Transport Co., Ltd.; Yamato Transport (HK) Ltd.; and one other company (Total: 7 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.*2; YAMATO TRANSPORT (M) SDN. BHD. and four other companies (Total: 17 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.*3; Yamato Contact Service Co., Ltd.; and one other company (Total: 4 companies)
Financial	TA-Q-BIN Collect service, Internet total settlement service, B2B logistics settlement service and comprehensive lease services	Yamato Financial Co., Ltd.; Yamato Lease Co., Ltd.; Yamato Credit & Finance Co., Ltd.; Yamato Payment Service (HK) Ltd.; and one other company (Total: 5 companies)
Autoworks*1	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.*4; 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)

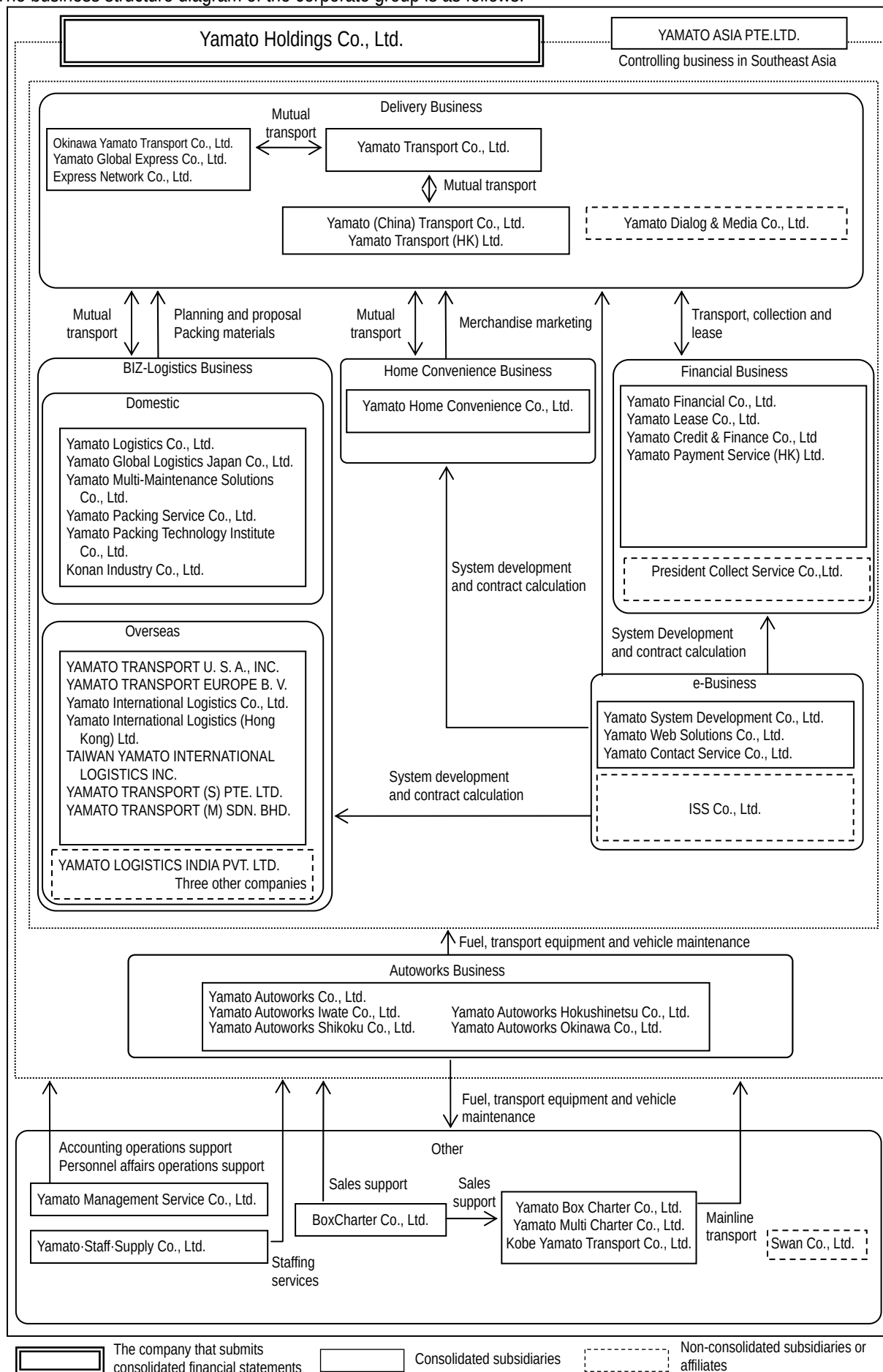
*1 Autoworks has changed its segment name from Truck Maintenance effective April 1, 2013.

*2 On January 1, 2014, YAMATO TRANSPORT (S) PTE. LTD. (renamed from YAMATO ASIA PTE. LTD. as of January 1, 2014), which is the surviving company, implemented an absorption-type merger and the two companies YAMATO TRANSPORT (S) PTE. LTD. and YAMATO PAYMENT SERVICE (S) PTE. LTD., were absorbed in the merger.

*3 Yamato Web Solutions Co., Ltd. changed its corporate name from Yamato Career Service Co., Ltd. effective August 1, 2013.

*4 On January 1, 2014, YAMATO RHQ DEVELOPMENT PTE. LTD. was renamed YAMATO ASIA PTE. LTD., which acts as the regional headquarters for Southeast Asia.

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

The Yamato Group has remained dedicated to developing products and services that promise greater convenience in everyday life, inspired by our Management Philosophy which calls for us to help enrich our society by enhancing the social infrastructure of TA-Q-BIN networks, creating more convenient services for comfortable lifestyles, and developing an innovative logistics system.

Going forward, as a matter of basic policy we remain committed to providing better services from the perspective of our customers, to which end we will work to bring about more sophisticated service offerings while taking steps to fully establish an ideal network comprising operation centers, pickup and delivery locations, and information so that we can provide top-notch services to our customers. We also aim to ensure a consistent management approach by increasing productivity and otherwise streamlining operations, and focusing on efforts to enhance profitability.

(2) Target management indicators and medium- to long-term corporate management strategies

The year 2019 will usher in the 100th anniversary of the Yamato Group's founding. With that in mind, we drafted our "DAN-TOTSU Management Plan 2019" which is meant to function as a long-term business plan under which we will manage operations toward our aim of becoming "the number one distribution and lifestyle support solutions provider in Asia." To achieve that goal, we will pursue a three-pronged basic strategy whereby we: 1.) use new TA-Q-BIN growth momentum to secure growth resources for non-delivery businesses, 2.) create businesses and accelerate growth momentum, and 3.) strengthen governance and promote CSR.

Under our "DAN-TOTSU Three-Year Plan STEP," the second phase of our medium-term management plan launched in April 2014, we are aiming to achieve balanced operations through a dual approach entailing pursuit of our "Value Networking" design while also forging a robust corporate culture. The final year of the management plan, fiscal 2016, targets consolidated operating revenue of 1,550.0 billion yen, consolidated operating income of 90.0 billion yen, and ROE of 9.0%.

The medium- to long-term management plan is available through the following website:

(Yamato Holdings Co., Ltd. website)

<http://www.yamato-hd.co.jp/>

(3) 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. 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.
- b. We will contribute to Japanese economic growth strategies by pushing ahead with our "Value Networking" design which aspires to revolutionize logistics. More specifically, we will develop a TA-Q-BIN network in Asia, and expand business by drawing on a business model created so that we can generate a high level of added value that improves logistics speed, quality and costs, brought about by fusing our respective business resources in the areas of information, logistics and transaction settlement within our new network platform that includes "Haneda Chronogate," "Atsugi Gateway" and "Okinawa International Logistics Hub."
- c. We will place top priority on maintaining service quality levels as we strive to heighten productivity and control costs in every aspect of Group operations, including collection and delivery, back-office and sorting operations. Meanwhile, we will increasingly fortify our competitive strengths by making sure that we generate appropriate revenues on the basis of proprietary Yamato Group services and a business model that enables us to provide high levels of added value.
- d. 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. Consolidated Financial Statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	213,619	220,147
Notes and accounts receivable - trade	163,789	188,144
Accounts receivable - installment	37,456	39,480
Lease investment assets	22,376	35,328
Merchandise and finished goods	852	780
Work in process	161	234
Raw materials and supplies	2,587	2,222
Deferred tax assets	16,646	16,547
Other	30,572	26,063
Allowance for doubtful accounts	(1,654)	(1,591)
Total current assets	486,408	527,359
Non-current assets		
Property, plant and equipment		
Buildings and structures	281,096	329,288
Accumulated depreciation	(173,496)	(174,246)
Buildings and structures, net	107,600	155,042
Machinery and equipment	41,151	53,811
Accumulated depreciation	(31,110)	(32,395)
Machinery and equipment, net	10,040	21,416
Vehicles	182,678	187,881
Accumulated depreciation	(168,721)	(171,770)
Vehicles, net	13,957	16,110
Land	187,107	188,343
Lease assets	23,548	23,944
Accumulated depreciation	(12,512)	(15,201)
Lease assets, net	11,036	8,742
Construction in progress	35,891	7,894
Other	76,774	79,272
Accumulated depreciation	(59,251)	(59,695)
Other, net	17,522	19,577
Total property, plant and equipment	383,157	417,127
Intangible assets		
Software	12,388	12,342
Other	4,421	5,175
Total intangible assets	16,809	17,518

	As of March 31, 2013	As of March 31, 2014
Investments and other assets		
Investment securities	* 22,597	* 26,119
Long-term loans receivable	1,165	1,062
Lease deposits	19,372	18,468
Deferred tax assets	18,515	21,686
Other	3,533	4,141
Allowance for doubtful accounts	(1,184)	(1,350)
Allowance for investment loss	(222)	—
Total investments and other assets	63,778	70,128
Total non-current assets	463,744	504,774
Total assets	950,152	1,032,134
Liabilities		
Current liabilities		
Notes and accounts payable - trade	138,288	172,463
Short-term loans payable	29,814	36,411
Lease obligations	4,714	4,784
Income taxes payable	22,441	20,907
Deferred installment income	5,006	5,349
Provision for bonuses	29,082	29,515
Other	70,192	77,927
Total current liabilities	299,539	347,360
Non-current liabilities		
Bonds with subscription rights to shares	20,000	20,000
Long-term loans payable	32,209	42,266
Lease obligations	7,042	4,379
Long-term accounts payable - other	2,413	1,243
Deferred tax liabilities	459	1,808
Provision for retirement benefits	38,178	—
Net defined benefit liability	—	47,224
Other	7,395	7,680
Total non-current liabilities	107,698	124,601
Total liabilities	407,238	471,961

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Net assets		
Shareholders' equity		
Capital stock	127,234	127,234
Capital surplus	111,290	100,863
Retained earnings	347,358	371,965
Treasury shares	(56,495)	(56,079)
Total shareholders' equity	529,387	543,984
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,095	8,769
Foreign currency translation adjustment	(1,032)	342
Remeasurements of defined benefit plans	—	(1,717)
Total accumulated other comprehensive income	5,063	7,395
Minority interests	8,463	8,792
Total net assets	542,914	560,172
Total liabilities and net assets	950,152	1,032,134

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

(Millions of yen)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Operating revenue	1,282,373	1,374,610
Operating cost	1,181,833	1,274,470
Operating gross profit	100,539	100,139
Selling, general and administrative expenses		
Personnel expenses	20,217	21,076
Provision for bonuses	782	825
Retirement benefit expenses	1,331	1,237
Taxes and dues	3,454	3,586
Provision of allowance for doubtful accounts	155	774
Depreciation	1,733	2,178
Other	8,776	9,426
Total selling, general and administrative expenses	34,336	37,043
Operating income	66,202	63,096
Non-operating income		
Interest income	91	92
Dividend income	569	530
Rent income	295	296
Other	1,863	1,763
Total non-operating income	2,819	2,681
Non-operating expenses		
Interest expenses	611	411
Rent expenses	187	160
Settlement package	20	160
Other	210	380
Total non-operating expenses	1,030	1,114
Ordinary income	67,991	64,664
Extraordinary income		
Gain on sales of non-current assets	53	*1 1,899
Other	109	38
Total extraordinary income	163	1,937

(Millions of yen)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Extraordinary losses		
Loss on retirement of non-current assets	278	439
Impairment loss	*2 1,769	*2 216
Loss on valuation of shares of subsidiaries and associates	453	—
Other	1,371	63
Total extraordinary losses	3,872	720
Income before income taxes and minority interests	64,283	65,882
Income taxes - current	31,268	32,604
Income taxes - deferred	(1,705)	(1,601)
Total income taxes	29,562	31,003
Income before minority interests	34,721	34,879
Minority interests in income (loss)	(423)	102
Net income	35,144	34,776

(Consolidated statement of comprehensive income)

(Millions of yen)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Income before minority interests	34,721	34,879
Other comprehensive income		
Valuation difference on available-for-sale securities	3,198	2,938
Foreign currency translation adjustment	1,035	1,408
Total other comprehensive income	* 4,233	* 4,346
Comprehensive income	38,954	39,225
(Breakdown)		
Comprehensive income attributable to owners of parent	39,209	38,825
Comprehensive income attributable to minority interests	(254)	400

(3) Consolidated statement of changes in equity

For the year ended March 31, 2013

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	127,234	121,314	321,862	(56,514)	513,897
Changes of items during period					
Dividends of surplus			(9,463)		(9,463)
Change of scope of consolidation			(185)		(185)
Net income			35,144		35,144
Purchase of treasury shares				(10,005)	(10,005)
Disposal of treasury shares		(0)		0	0
Retirement of treasury shares		(10,023)		10,023	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(10,023)	25,495	18	15,490
Balance at end of current period	127,234	111,290	347,358	(56,495)	529,387

	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	2,975	(1,876)	—	1,099	8,787	523,783
Changes of items during period						
Dividends of surplus						(9,463)
Change of scope of consolidation						(185)
Net income						35,144
Purchase of treasury shares						(10,005)
Disposal of treasury shares						0
Retirement of treasury shares						—
Net changes of items other than shareholders' equity	3,119	844	—	3,964	(324)	3,640
Total changes of items during period	3,119	844	—	3,964	(324)	19,130
Balance at end of current period	6,095	(1,032)	—	5,063	8,463	542,914

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

(4) Consolidated statement of cash flows

(Millions of yen)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	64,283	65,882
Depreciation	37,944	42,283
Impairment loss	1,769	216
Increase (decrease) in provision for retirement benefits	6,442	—
Increase (decrease) in net defined benefit liability	—	6,278
Increase (decrease) in provision for bonuses	(352)	390
Interest and dividend income	(660)	(622)
Interest expenses	988	723
Loss (gain) on sales of non-current assets	(53)	(1,899)
Loss on retirement of non-current assets	278	439
Loss (gain) on sales of investment securities	(42)	(0)
Loss (gain) on valuation of investment securities	1,175	3
Decrease (increase) in notes and accounts receivable - trade	(10,526)	(38,786)
Decrease (increase) in inventories	86	401
Increase (decrease) in notes and accounts payable - trade	8,406	33,410
Other, net	(6,270)	6,910
Subtotal	103,468	115,631
Interest and dividend income received	683	605
Interest expenses paid	(975)	(724)
Donation for earthquake recovery initiatives	(1,148)	—
Income taxes paid	(28,077)	(35,437)
Net cash provided by (used in) operating activities	73,949	80,075
Cash flows from investing activities		
Payments into time deposits	(694)	(461)
Proceeds from withdrawal of time deposits	547	814
Purchase of property, plant and equipment	(47,098)	(65,211)
Proceeds from sales of property, plant and equipment	582	4,237
Purchase of investment securities	(11)	(10)
Proceeds from sales of investment securities	52	2
Payments of loans receivable	(1,097)	(1,347)
Collection of loans receivable	1,222	1,371
Other payments	(5,962)	(7,143)
Other proceeds	1,920	2,814
Net cash provided by (used in) investing activities	(50,539)	(64,935)

(Millions of yen)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Cash flows from financing activities		
Increase in short-term loans payable	68,948	80,797
Decrease in short-term loans payable	(58,652)	(77,518)
Repayments of finance lease obligations	(5,303)	(4,960)
Proceeds from long-term loans payable	5,537	27,007
Repayment of long-term loans payable	(12,198)	(14,145)
Proceeds from sales of treasury shares	0	0
Purchase of treasury shares	(10,008)	(10,013)
Cash dividends paid	(9,458)	(10,172)
Cash dividends paid to minority shareholders	(69)	(62)
Other, net	181	33
Net cash provided by (used in) financing activities	(21,022)	(9,033)
Effect of exchange rate change on cash and cash equivalents	457	647
Net increase (decrease) in cash and cash equivalents	2,844	6,753
Cash and cash equivalents at beginning of period	208,393	212,641
Increase in cash and cash equivalents from newly consolidated subsidiary	1,403	—
Cash and cash equivalents at end of period	* 212,641	* 219,395

(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: 41

Major consolidated subsidiaries are as described in "2. Status of the Corporate Group."

YAMATO RHQ DEVELOPMENT PTE. LTD., established during the fiscal year under review, is included in the scope of consolidation from the fiscal year under review. On January 1, 2014, YAMATO RHQ DEVELOPMENT PTE. LTD. was renamed YAMATO ASIA PTE. LTD.

(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 twelve 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, 2013 and March 31, 2014 that is the consolidated closing date.

4. Accounting policies

The Group's major accounting policies are as follows.

(1) Valuation basis and methods for principle 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. Allowance for investment loss

To prepare for devaluation loss of investments in non-consolidated subsidiaries, allowances is provided considering the status of those subsidiaries' assets.
 - c. 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.

(Changes in accounting policies)

Application of "Accounting Standard for Retirement Benefits," etc.

The Company has applied the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and "Guidance on the Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012), effective from the end of the fiscal year ended March 31, 2014.

In line with this, the Company has adopted the approach of recording the difference between retirement benefit obligations and pension assets in net defined benefit liability. Unrecognized actuarial differences are also recorded in net defined benefit liability. In adopting the Accounting Standard for Retirement Benefits and the Guidance on the Accounting Standard for Retirement Benefits, and in accordance with transitional accounting as stipulated in paragraph 37 of the Accounting Standard for Retirement Benefits, the effect of the changes in accounting policy described here has been recognized in the item remeasurements of defined benefit plans

under accumulated other comprehensive income as of March 31, 2014.

As a result of the change, as of the end of the fiscal year ended March 31, 2014, net defined benefit liability of 47,224 million yen was recorded, accumulated other comprehensive income decreased by 1,717 million yen and deferred tax assets increased by 1,086 million yen. Net asset per share decreased by 4.10 yen.

(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) Amortization of goodwill and amortization period

Equally divided method of five years. However, in the case where the amount is immaterial, the whole amount may be charged to expenses when they occur.

(8) 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.

(9) Other significant matters forming the basis of preparing the consolidated financial statements

Accounting for consumption taxes:

Consumption taxes are excluded from transaction amounts.

(Consolidated balance sheet)

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

(Millions of yen)

	Fiscal 2013	Fiscal 2014
Investment securities	809	542

(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 2013 (from April 1, 2012 to March 31, 2013)

(Millions of yen)

Use of asset	Type of asset	Region	Amount of impairment loss
Branch and distribution center and other	Buildings, land and other	Yamato Home Convenience Co., Ltd., Nishi Kanto General Branch Office (Tokorozawa City, Saitama Prefecture) and eight other premises	1,769

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 a main branch and subordinate branches as one unit, Yamato Home Convenience Co., Ltd. treating a general branch office 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 Home Convenience Co., Ltd., Nishi Kanto General Branch Office and eight other premises, and it decreased the book value of the relevant asset group to the recoverable value and posted the relevant decrease of 1,769 million yen to extraordinary losses as an impairment loss. A breakdown of this decrease shows that 352 million yen was attributable to buildings, 976 million yen was attributable to land and 412 million yen was attributable to goodwill.

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 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.

(Consolidated statement of comprehensive income)

*Recycling amount and income tax relating to other comprehensive income

	(Millions of yen)	
	Fiscal 2013	Fiscal 2014
Valuation difference on available-for-sale securities		
Amount recorded during the period	3,035	3,783
Recycling amount	1,175	(0)
Before tax effect adjustments	4,211	3,783
Tax effect amount	(1,012)	(844)
Valuation difference on available-for-sale securities	3,198	2,938
Foreign currency translation adjustment		
Amount recorded during the period	1,035	1,408
Total other comprehensive income	4,233	4,346

(Consolidated statement of changes in equity)

For the year ended March 31, 2013

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)	468,052	—	6,707	461,345
Total	468,052	—	6,707	461,345
Treasury shares				
Common shares (Note 2)	37,905	6,433	6,708	37,631
Total	37,905	6,433	6,708	37,631

Notes: *1 The decrease of 6,707 thousand shares of issued shares of common shares resulted from a decrease due to retirement of treasury shares.

*2 The increase of 6,433 thousand shares of treasury shares of common shares resulted from an increase of 6,428 thousand shares due to the purchase of treasury shares and an increase of 4 thousand shares due to the purchase of fractional shares.
The decrease of 6,708 thousand shares of treasury shares of common shares resulted from a decrease of 6,707 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 15, 2012	Common shares	4,731	11	March 31, 2012	June 5, 2012
The Board of Directors Meeting on October 31, 2012	Common shares	4,731	11	September 30, 2012	December 10, 2012

- (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, 2013	Common shares	5,084	Retained earnings	12	March 31, 2013	June 4, 2013

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 (planned)	Common shares	5,027	Retained earnings	12	March 31, 2014	June 3, 2014 (planned)

(Consolidated statement of cash flows)

*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 2013	Fiscal 2014
Cash and deposits	213,619	220,147
Time deposits due beyond three months	(694)	(444)
Short-term loans payable account	(283)	(307)
Cash and cash equivalents	212,641	219,395

(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. Effective from the fiscal year ended March 31, 2014, the reportable segment "Truck Maintenance" has been renamed "Autoworks."

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, 2013

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Operating revenue					
Operating revenue from customers	1,028,219	86,806	44,601	37,060	56,710
Inter-segment operating revenue or transfers	56,439	11,486	14,752	27,859	3,910
Total	1,084,658	98,293	59,353	64,920	60,620
Segment income (loss)	41,908	4,094	(527)	6,986	8,516
Segment assets	575,698	52,525	18,414	36,861	189,457
Others					
Depreciation	27,769	1,541	755	3,759	2,356
Increases of property, plant and equipment and intangible assets	31,725	1,654	550	2,262	4,482

	Autoworks	Other (Notes 1, 2)	Total	Reconciliation (Note 3)	Amount recorded in consolidated financial statements (Note 4)
Operating revenue					
Operating revenue from customers	23,228	5,746	1,282,373	—	1,282,373
Inter-segment operating revenue or transfers	27,531	52,993	194,973	(194,973)	—
Total	50,759	58,740	1,477,347	(194,973)	1,282,373
Segment income (loss)	2,666	18,762	82,407	(16,204)	66,202
Segment assets	21,804	10,844	905,606	44,545	950,152
Others					
Depreciation	948	253	37,384	550	37,935
Increases of property, plant and equipment and intangible assets	728	232	41,636	6,415	48,052

- 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 17,553 million yen.
3. Adjustments made are as follows.
(1) The adjustment of (16,204 million yen) of segment income resulted from eliminating transactions among segments.
(2) The adjustment of 44,545 million yen of segment assets includes offsetting and elimination of assets among segments of (118,389 million yen) and group-wide assets of 162,935 million yen not allocated to each reportable segment.
(3) The adjustment of 6,415 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, 2014

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Operating revenue					
Operating revenue from customers	1,098,692	90,254	48,723	41,537	62,727
Inter-segment operating revenue or transfers	60,184	12,462	14,154	30,178	3,567
Total	1,158,877	102,717	62,877	71,716	66,295
Segment income	35,873	3,403	217	7,954	9,405
Segment assets	632,617	54,550	19,017	39,693	233,495
Others					
Depreciation	31,776	1,560	575	3,785	2,720
Increases of property, plant and equipment and intangible assets	64,377	4,250	700	3,467	5,492

	Autoworks (Note 1)	Other (Notes 2, 3)	Total	Reconciliation (Note 4)	Amount recorded in consolidated financial statements (Note 5)
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	209,278	(209,278)	—
Total	53,717	67,687	1,583,888	(209,278)	1,374,610
Segment income	3,272	24,956	85,083	(21,987)	63,096
Segment assets	23,411	11,168	1,013,954	18,179	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. Effective from the fiscal year ended March 31, 2014, the reportable segment "Truck Maintenance" has been renamed "Autoworks." The segment information for the fiscal year ended March 31, 2013 is presented using the name after the change.
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 24,104 million yen.
4. Adjustments made are as follows.
- (1) The adjustment of (21,987 million yen) of segment income resulted from eliminating transactions among segments.
- (2) The adjustment of 18,179 million yen of segment assets includes offsetting and elimination of assets among segments of (143,258 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.
5. We made an adjustment between segment income and operating income in the consolidated statement of income.

2. Relevant information

For the year ended March 31, 2013

(1) Information by product and service

				(Millions of Yen)
	TA-Q-BIN	Kuroneko Mail	Other	Total
Operating revenue from customers	831,082	122,276	329,014	1,282,373

(2) Information by region

a. Operating revenue

				(Millions of Yen)
Japan	North America	Other	Total	
1,259,727	9,545	13,100	1,282,373	

b. Property, plant and equipment

				(Millions of Yen)
Japan	North America	Other	Total	
380,952	299	1,904	383,157	

(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, 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.

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

For the year ended March 31, 2013

(Millions of Yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Impairment loss	357	—	1,409	—	2

	Autoworks	Other	Total	Corporate or eliminations	Consolidated
Impairment loss	—	—	1,769	—	1,769

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

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

For the year ended March 31, 2013

(Millions of Yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Amortization for the current period	68	—	104	—	—
Balance as of the end of the current period	—	—	—	—	—

	Autoworks	Other	Total	Corporate or eliminations	Consolidated
Amortization for the current period	—	—	172	—	172
Balance as of the end of the current period	—	—	—	—	—

For the year ended March 31, 2014

Not applicable.

(Tax Effect Accounting)

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

	(Millions of yen)	
	Fiscal 2013	Fiscal 2014
Deferred tax assets (current assets)		
Provision for bonuses	10,994	10,463
Accrued legal welfare expenses	1,727	1,660
Accrued enterprise tax	2,015	1,747
Excess in provision of allowance for doubtful accounts	210	195
Other	2,456	3,066
Subtotal	17,404	17,133
Allowance for devaluation	(392)	(273)
Total	17,012	16,860
Deferred tax assets (non-current assets)		
Provision for retirement benefits	13,719	—
Net defined benefit liability	—	16,997
Loss on valuation of land	24,218	24,162
Impairment loss	4,149	4,225
Loss on valuation of investment securities	2,201	2,199
Unrealized income on non-current assets	1,659	1,839
Loss on valuation of telephone subscription right	546	546
Other	10,086	10,763
Subtotal	56,582	60,734
Allowance for devaluation	(34,472)	(35,504)
Total	22,110	25,229
Deferred tax liabilities (current liabilities)		
Other	(365)	(312)
Total	(365)	(312)
Deferred tax liabilities (non-current liabilities)		
Valuation difference on available-for-sale securities	(2,020)	(2,871)
Reserve for reduction entry	(245)	(230)
Other	(1,789)	(2,249)
Total	(4,054)	(5,351)
Net deferred tax assets	34,702	36,426

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 2013	Fiscal 2014
Normal effective statutory tax rates of consolidated financial statement-submitting companies	38.0 %	38.0 %
(Reconciliation)		
Per capita levy of local taxes	4.2	4.3
Allowance for devaluation	2.2	1.2
Downward revision to deferred tax assets as of the end of the period due to the change in corporate tax rates	—	1.8
Other	1.6	1.8
Actual effective tax rates after tax effect accounting	46.0	47.1

3. Adjustment of deferred tax assets and deferred tax liabilities due to change in corporate tax rates
- On March 31, 2014, the government promulgated the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 10 of 2014), which repeals the special reconstruction corporation surtax effective from the fiscal year starting on and after April 1, 2014. As a result, the normal effective statutory tax rate of 38.0% previously applied in calculating the amount of deferred tax assets and liabilities has been reduced to 35.6% with respect to the temporary differences expected to be resolved in the fiscal year beginning April 1, 2014. This results in a decrease in deferred tax assets of 1,171 million yen (after subtraction of deferred tax liabilities) and an increase in income taxes - deferred of 1,162 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 only 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. With regard to loans payable, short-term loans payable are mainly used to raise capital for the Group's financial business and long-term loans payable fund growth-driving programs such as network development. A Group consolidated subsidiary engaged in financial business has obtained loans with a variable interest rate and employs interest rate swaps for a portion of the 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, 2013

(Millions of yen)

	Amount on the consolidated balance sheet	Fair value	Difference
(1) Cash and deposits	213,619	213,619	—
(2) Notes and accounts receivable - trade	163,789		
Allowance for doubtful accounts	(142)		
	163,646	164,257	610
(3) Accounts receivable - installment	37,456		
Allowance for doubtful accounts	(1,111)		
Deferred installment income	[5,006]		
	31,337	36,109	4,771
(4) Investment securities			
Available-for-sale securities	20,515	20,515	—
(5) Notes and accounts payable - trade	[138,288]	[138,288]	—
(6) Short-term loans payable	[29,814]	[29,891]	77
(7) Long-term loans payable	[32,209]	[32,274]	64
(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.

(6) 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	42,050	28,050	*

* 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 2,081 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	213,619	—	—
Notes and accounts receivable - trade	156,107	7,637	44
Accounts receivable - installment	19,317	17,556	582
Total	389,044	25,194	626

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	14,110	17,117	9,967	4,617	508	—
Lease obligations	4,714	4,355	1,633	763	256	32
Total	18,824	21,472	31,600	5,380	764	32

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

(Securities)

For the year ended March 31, 2013

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	20,010	11,734	8,276
	(2) Bonds	—	—	—
	(3) Other	—	—	—
	Subtotal	20,010	11,734	8,276
Those whose value recorded on the consolidated balance sheet does not exceed the acquisition cost	(1) Stocks	505	522	(17)
	(2) Bonds	—	—	—
	(3) Other	—	—	—
	Subtotal	505	522	(17)
Total		20,515	12,257	8,258

Note: It is extremely difficult to determine the fair values of unlisted securities (the amount recorded on consolidated balance sheet is 2,081 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, 2013

(Millions of yen)

Type	Sale amount	Total capital gains	Total capital losses
(1) Stocks	462	56	—
(2) Bonds	—	—	—
(3) Other	8	—	—
Total	471	56	—

3. Securities on which impairment losses were recognized

For the fiscal year under review, the Company recognized impairment losses of 1,628 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, 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.

(Retirement Benefit)

For the year ended March 31, 2013

1. Outline of retirement benefit plan

The Company and its major domestic consolidated subsidiaries adopt 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.

Certain consolidated subsidiaries adopt a defined contribution retirement system.

During the fiscal year ended March 31, 2013, certain consolidated subsidiaries withdrew from the cooperative welfare pension fund which they were affiliated with.

2. Retirement benefit obligations	(Millions of yen)
a. Retirement benefit obligations	(112,492)
b. Pension assets	64,926
c. Unfunded retirement benefit obligations (a + b)	(47,566)
d. Unrecognized actuarial difference	9,502
e. Net amount on consolidated balance sheet (c + d)	(38,063)
f. Prepaid pension cost	114
g. Provision for retirement benefits (e - f)	(38,178)

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

3. Retirement benefit expenses	(Millions of yen)
a. Service cost	7,105
b. Interest cost	1,946
c. Recognized actuarial difference	3,399
d. Retirement benefit expenses (a + b + c)	12,451

Notes:

1. In addition to the above retirement benefit expenses, 2,053 million yen is booked for fiscal 2013 as retirement benefit expenses for a defined contribution retirement plan, etc.
2. Employee contribution to contributory trusted pension plan is deducted.
3. Retirement benefit expenses of consolidated subsidiaries using a simplified method are included in "a. Service cost."

4. Basis for calculating retirement benefit obligations, etc.

a. Periodic allocation method for projected retirement benefits	Straight-line standards
b. Discount rate	1.3%
c. Expected rate of return	0.0%
d. Recognition period of actuarial difference	*5 years

Note: Actuarial differences are to be charged to expenses from the following fiscal year using a straight-line method based on determined years within average remaining service years of the employees when occurred.

For the year ended March 31, 2014

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)
Retirement benefit obligation at beginning of current period	112,492
Service cost	8,910
Interest cost	1,442
Actuarial difference arising during period	744
Retirement benefits paid	(4,458)
Prior service cost arising during period	3
Other	(0)
Retirement benefit obligation at end of current period	119,135

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)
Pension assets at beginning of current period	64,926
Expected return	649
Actuarial difference arising during period	4,516
Employer contributions	3,880
Retirement benefits paid	(1,893)
Pension assets at end of current period	72,078

(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)
Retirement benefit obligations of funded plans	50,035
Pension assets	(72,078)
	(22,043)
Retirement benefit obligations of unfunded plans	69,100
Net of consolidated balance sheet assets and liabilities	47,056
Net defined benefit liability	47,224
Net defined benefit asset	(167)
Net of consolidated balance sheet assets and liabilities	47,056

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)
Service cost	8,910
Interest cost	1,442
Expected return	(649)
Recognized actuarial difference	3,047
Recognized prior service cost	3
Other	(5)
Retirement benefit expense related to defined benefit plans	12,749

(5) 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)
Unrecognized actuarial difference	(2,683)
Total	(2,683)

(6) Pension assets

a. Primary components of pension assets

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

General accounts	34%
Bonds	26%
Stocks	21%
Other	19%
Total	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.

(7) Matters concerning actuarial assumptions

Primary actuarial assumptions at fiscal year-end

Discount rate	1.3%
Long-term expected rate of return	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.

(Per Share Information)

	Fiscal 2013	Fiscal 2014
Net assets per share	1,261.35 yen	1,316.12 yen
Net income per share	81.85 yen	82.22 yen
Net income per share - fully diluted	79.84 yen	80.18 yen

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

	Fiscal 2013	Fiscal 2014
Net income per share		
Net income	35,144 million yen	34,776 million yen
Amount not belonging to ordinary shareholders	— million yen	— million yen
Net income concerning common shares	35,144 million yen	34,776 million yen
Average number of shares during the period	429,377 thousand shares	422,941 thousand shares
Net income per share - fully diluted		
Adjustments in net income	— million yen	— million yen
Increase in number of common shares	10,810 thousand shares	10,810 thousand shares
(Subscription rights to shares)	(10,810 thousand shares)	(10,810 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.

5. Others

Operating revenue by business

(Millions of yen)

Business segment		Fiscal year ended March 31, 2013	Ratio	Fiscal year ended March 31, 2014	Ratio	Change
			%		%	%
Delivery	TA-Q-BIN	880,171	68.6	958,573	69.7	8.9
	Kuroneko Mail	128,309	10.0	126,035	9.2	(1.8)
	Express	42,635	3.3	45,047	3.3	5.7
	Others	65,116	5.1	63,785	4.6	(2.0)
	Eliminations	(88,013)	(6.8)	(94,748)	(6.9)	7.7
	Total	1,028,219	80.2	1,098,692	79.9	6.9
BIZ-Logistics	Trading logistics service	36,479	2.8	39,037	2.8	7.0
	Retail logistics service	30,180	2.4	31,103	2.3	3.1
	Multi maintenance	8,714	0.7	9,870	0.7	13.3
	Export Factory	3,701	0.3	3,781	0.3	2.2
	Others	35,296	2.8	36,311	2.7	2.9
	Eliminations	(27,566)	(2.2)	(29,850)	(2.2)	8.3
	Total	86,806	6.8	90,254	6.6	4.0
Home Convenience	Home convenience	40,586	3.2	42,801	3.1	5.5
	Business convenience	18,788	1.5	20,107	1.4	7.0
	Eliminations	(14,773)	(1.2)	(14,186)	(1.0)	(4.0)
	Total	44,601	3.5	48,723	3.5	9.2
e-Business	e-logistics solution	10,137	0.8	10,766	0.8	6.2
	Credit card solution	7,092	0.6	7,890	0.6	11.3
	IT operating solution	4,383	0.3	5,082	0.4	15.9
	Web-based mail order solution	7,075	0.5	8,062	0.6	13.9
	Others	39,739	3.1	42,172	3.0	6.1
	Eliminations	(31,368)	(2.4)	(32,437)	(2.4)	3.4
	Total	37,060	2.9	41,537	3.0	12.1
Financial	TA-Q-BIN Collect	37,710	2.9	40,178	2.9	6.5
	Lease	18,124	1.4	20,896	1.5	15.3
	Credit & Finance	3,278	0.3	3,239	0.3	(1.2)
	Others	1,584	0.1	2,061	0.2	30.1
	Eliminations	(3,987)	(0.3)	(3,647)	(0.3)	(8.5)
	Total	56,710	4.4	62,727	4.6	10.6
Autoworks *1	Truck maintenance	47,279	3.7	49,651	3.6	5.0
	Others	5,909	0.4	6,507	0.5	10.1
	Eliminations	(29,960)	(2.3)	(30,508)	(2.2)	1.8
	Total	23,228	1.8	25,650	1.9	10.4
Other	JITBOX Charter service	3,504	0.3	4,677	0.3	33.5
	Others	56,587	4.4	64,434	4.7	13.9
	Eliminations	(54,345)	(4.3)	(62,089)	(4.5)	14.2
	Total	5,746	0.4	7,022	0.5	22.2
Total		1,282,373	100.0	1,374,610	100.0	7.2

* Effective from the fiscal year ended March 31, 2014, the Truck Maintenance has been renamed Autoworks.

6. Non-consolidated Financial Statements

(1) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	131,379	121,668
Operating accounts receivable	20	22
Short-term loans receivable	6,737	11,434
Deferred tax assets	298	246
Income taxes receivable	3,591	4,945
Other	146	1,170
Total current assets	142,173	139,489
Non-current assets		
Property, plant and equipment		
Vehicles	19	14
Buildings	728	683
Tools, furniture and fixtures	104	57
Land	5,840	5,840
Other	26	22
Total property, plant and equipment	6,719	6,618
Intangible assets		
Software	2,200	1,858
Other	0	1
Total intangible assets	2,200	1,859
Investments and other assets		
Investment securities	16,958	19,549
Shares of subsidiaries and associates	287,411	292,251
Long-term loans receivable	11,896	31,655
Other	97	99
Allowance for investment loss	(559)	(1,927)
Total investments and other assets	315,805	341,628
Total non-current assets	324,726	350,107
Total assets	466,899	489,597

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Operating accounts payable	253	399
Income taxes payable	57	34
Accrued expenses	44	47
Deposits received	64,518	83,453
Provision for bonuses	45	52
Other	132	258
Total current liabilities	65,051	84,247
Non-current liabilities		
Bonds with subscription rights to shares	20,000	20,000
Deferred tax liabilities	652	1,494
Provision for retirement benefits	61	67
Other	137	138
Total non-current liabilities	20,851	21,699
Total liabilities	85,903	105,946
Net assets		
Shareholders' equity		
Capital stock	127,234	127,234
Capital surplus		
Legal capital surplus	36,822	36,822
Other capital surplus	74,468	64,041
Total capital surplus	111,290	100,863
Retained earnings		
Other retained earnings		
General reserve	174,965	174,965
Retained earnings brought forward	18,539	29,161
Total retained earnings	193,504	204,127
Treasury shares	(56,495)	(56,079)
Total shareholders' equity	375,534	376,146
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	5,461	7,503
Total valuation and translation adjustments	5,461	7,503
Total net assets	380,996	383,650
Total liabilities and net assets	466,899	489,597

(2) Non-consolidated statement of income

(Millions of yen)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Operating revenue	22,697	29,197
Selling, general and administrative expenses	4,324	4,790
Operating income	18,373	24,407
Non-operating income		
Interest and dividend income	617	684
Other	266	363
Total non-operating income	883	1,047
Non-operating expenses		
Interest expenses	62	24
Other	6	86
Total non-operating expenses	68	111
Ordinary income	19,188	25,343
Extraordinary income		
Gain on sales of investment securities	42	—
Total extraordinary income	42	—
Extraordinary losses		
Loss on valuation of investment securities	1,157	—
Loss on valuation of shares of subsidiaries and associates	5,614	2,526
Provision of allowance for investment loss	—	1,590
Other	0	0
Total extraordinary losses	6,772	4,116
Income before income taxes	12,457	21,226
Income taxes - current	90	91
Income taxes - deferred	(129)	343
Total income taxes	(39)	435
Net income	12,497	20,791

(3) Non-consolidated statement of changes in equity

For the year ended March 31, 2013

(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	84,492	121,314	174,965	15,505	190,471
Changes of items during period							
Dividends of surplus						(9,463)	(9,463)
Net income						12,497	12,497
Purchase of treasury shares							
Disposal of treasury shares			(0)	(0)			
Retirement of treasury shares			(10,023)	(10,023)			
Net changes of items other than shareholders' equity							
Total changes of items during period	—	—	(10,023)	(10,023)	—	3,033	3,033
Balance at end of current period	127,234	36,822	74,468	111,290	174,965	18,539	193,504

	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	(56,514)	382,505	2,547	385,053
Changes of items during period				
Dividends of surplus		(9,463)		(9,463)
Net income		12,497		12,497
Purchase of treasury shares	(10,005)	(10,005)		(10,005)
Disposal of treasury shares	0	0		0
Retirement of treasury shares	10,023	—		—
Net changes of items other than shareholders' equity			2,914	2,914
Total changes of items during period	18	(6,971)	2,914	(4,056)
Balance at end of current period	(56,495)	375,534	5,461	380,996

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