

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2023 <under Japanese GAAP>

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

Scheduled date of the submission of quarterly securities report: February 8, 2023
 Scheduled date of the commencement of dividend payment: —
 Preparation of supplementary materials on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than 1 million yen are discarded)

1. Consolidated financial results for the third quarter of fiscal year 2023 (cumulative: from April 1, 2022 to December 31, 2022)

(1) Consolidated operating results

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the nine months ended								
December 31, 2022	1,395,967	1.7	66,400	(16.1)	64,235	(24.6)	39,087	(18.2)
December 31, 2021	1,372,386	5.9	79,172	(11.8)	85,183	(6.5)	47,779	(16.0)

(Note) Comprehensive income: For the nine months ended December 31, 2022: 41,099 million yen ((16.6%)
 For the nine months ended December 31, 2021: 49,283 million yen ((20.7%))

	Basic earnings per share	Diluted earnings per share
For the nine months ended	Yen	Yen
December 31, 2022	107.83	—
December 31, 2021	128.78	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2022	1,160,733	611,581	52.2
March 31, 2022	1,086,854	598,233	54.3

(Reference) Equity: As of December 31, 2022: 605,367 million yen As of March 31, 2022: 590,542 million yen

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2022	—	23.00	—	23.00	46.00
Fiscal 2023	—	23.00	—	—	—
Fiscal 2023 (Forecast)	—	—	—	23.00	46.00

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

3. Consolidated earnings forecasts for fiscal year 2023 (from April 1, 2022 to March 31, 2023)

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,809,000	0.9	61,000	(21.0)	58,000	(31.2)	45,000	(19.6)	124.16

(Note) Revisions to the forecasts most recently announced: Yes

* Notes

(1) Changes in significant subsidiaries during the nine months under review (changes in specified subsidiaries resulting in the change in scope of consolidation): None

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

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

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

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

(4) Number of issued shares (common shares)

- a. Number of issued shares as of the end of the period (including treasury shares)
 - As of December 31, 2022: 379,824,892 shares
 - As of March 31, 2022: 388,575,592 shares
- b. Number of treasury shares as of the end of the period
 - As of December 31, 2022: 17,551,621 shares
 - As of March 31, 2022: 22,084,421 shares
- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)
 - For the nine months ended December 31, 2022: 362,501,978 shares
 - For the nine months ended December 31, 2021: 371,024,707 shares

*Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit firm.

*Proper use of earnings forecasts and other noteworthy events

- Descriptions of the above financial projections and other data are based on information currently available to the Company and certain assumptions that the Company considers to be reasonable. Actual financial results may differ significantly from the projections for various reasons. For points to note when using such assumptions and financial projections, please see "1. Qualitative Information on Settlement of Accounts for the Nine months, (3) Explanation of consolidated earnings forecasts and other forward-looking statements" of the attached materials to the quarterly financial results report on page 7.
- The Company plans to post supplementary materials on quarterly financial results on the Company's website promptly after the announcement of the quarterly financial results.

Attached Materials
Index

- 1. Qualitative Information on Settlement of Accounts for the Nine months..... 2
 - (1) Summary of operating results..... 2
 - (2) Explanation of financial position 7
 - (3) Explanation of consolidated earnings forecasts and other forward-looking statements 7
- 2. Consolidated Financial Statements and Significant Notes Thereto..... 8
 - (1) Consolidated balance sheet 8
 - (2) Consolidated statement of income and consolidated statement of comprehensive income..... 10
 - Consolidated statement of income (cumulative)..... 10
 - Consolidated statement of comprehensive income (cumulative) 11
 - (3) Notes to consolidated financial statements 12
 - (Notes to premise of going concern) 12
 - (Notes when there are significant changes in amounts of equity) 12
 - (Changes to the scope of consolidation and/or the application of the equity method)..... 12
 - (Application of specific accounting for preparing the quarterly consolidated financial statements) 12
 - (Segment information, etc.) 13
- 3. Supplementary Information 14
 - Operating revenue by segment 14

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

(1) Summary of operating results

During the third quarter of the fiscal year ending March 2023, domestic demand was on a gradual recovery trend, with the normalization of economic activity, despite the lingering impact of COVID-19. On the other hand, inflationary pressure around the world is continuing, driven by the prices of natural resources and energy remaining high as well as the rise in raw material prices, due to the instability in global affairs. There are signs of slowdown in the economies of the U.S. and Europe, which have been continuously raising interest rates, and it remains hard to anticipate a full-fledged economic recovery.

Moreover, COVID-19 has triggered a change in consumption behavior and lifestyles and the expansion of e-commerce in various industries, driven by more people working from home, as well as medical treatment and education taking place online.

Under these circumstances, the Yamato Group focused on providing comprehensive value to address the needs of customers and society, in order to achieve sustainable corporate value enhancement through “Helping to enrich our society” which is part of our Management Philosophy, under the Group management structure in which we brought together the management resources of each Group company, and based on the Medium-term management plan “One YAMATO 2023” with the fiscal year ending March 2024 as the final year, towards innovating the supply chain to address changes in people’s lifestyles and the distribution structure.

Our consolidated financial results for the nine months ended December 31, 2022 are as follows.

Item	(Millions of yen)			
	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022	Change	Growth (%)
Operating revenue	1,372,386	1,395,967	23,580	1.7
Operating profit	79,172	66,400	(12,772)	(16.1)
Ordinary profit	85,183	64,235	(20,948)	(24.6)
Profit attributable to owners of parent	47,779	39,087	(8,692)	(18.2)

For the nine months ended December 31, 2022, operating revenue was 1 trillion 395,967 million yen, up 23,580 million yen from the previous year.

This was largely attributable to the increase in parcel delivery volume as a result of capturing demand from the e-commerce domain where growth is continuing, as well as our focus on optimizing logistics for customers.

Operating expenses was 1 trillion 329,566 million yen, up 36,353 million yen from the previous year.

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

As a result, for the nine months ended December 31, 2022, operating profit was 66,400 million yen, down 12,772 million yen from the previous year.

Initiatives for the entire Yamato Group

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

① Enhancing value provision to corporate clients

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

- ② Structural reforms of our network operations
In order to address the growing EC demand, we continued to build the EC logistics network with a more simple operation process covering sorting, transportation and last-mile deliveries, mainly in the urban areas. We also promoted initiatives such as consolidating and enlarging the TA-Q-BIN Sales offices, redefining the functions of our terminals, enhancing operational efficiency using IT systems, and improving safety, quality and the work environment.
- ③ Promoting strategies for achieving sustainable enhancement of corporate value
With the aim of sustainably enhancing our corporate value, we are engaging in initiatives under our Medium-term management plan “One YAMATO 2023” that involves promoting data and innovation strategies, reforming the management structure and reinforcing governance, engaging in an HR strategy which supports “Innovating Delivery Business,” improving capital efficiency, and strengthening sustainable management.
As for our data strategy, we continued to develop digital data and strengthen digital platforms in order to further enhance our use of data. We are also providing services using digital data and improving our operations using digital data.
Meanwhile, we made progress in our innovation strategy with initiatives to promote open innovation, which entails discovering and collaborating with startups, as well as to invest in such startups with the aim of creating new businesses.
We are also working on sophisticating corporate governance, separating management supervision and execution, maintaining and enhancing management transparency, as well as strengthening governance with an emphasis on the speed of our decision-making.
As for strengthening our sustainable management, we are promoting management that considers the environment and society through measures such as connecting people, resources and information at a high level, and making our transportation more efficient, in order to achieve both sustainable growth and sustainable social development, under our two visions of “Connect. Deliver the Future via Green Logistics” and “Through Co-Creation and Fair Business Activities, Help Create a Society That Leaves No One Behind”. In terms of the environment, we are promoting measures such as “introducing 20,000 EVs”, “introducing 810 solar power generation facilities” and “improving the usage rate of renewable energy-based electricity”, in order to achieve the target of “48% reduction in GHG in 2030, compared to FY March 2021” and “Climate neutrality (in-house emissions) in 2050”. In the nine months ended December 2022, we announced our endorsement of the Task Force on Climate-related Financial Disclosures (“TCFD”) and, based on TCFD, disclosed on our corporate website information on the risks and opportunities from climate change that may affect our business activities. Yamato will continue to accelerate its sustainability initiatives including those related to climate change and addressing social issues, thereby promoting sustainable corporate growth.

Business strategies of each segment

● Retail Business Unit

- ① The Retail Business Unit provides high-quality small-lot parcel delivery services such as TA-Q-BIN, and as the starting point of business for the entire Group, has been working to provide value that addresses the needs of our customers by utilizing our strength of having points of contact with customers that originates through the provision of TA-Q-BIN services, with our front-line employees monitoring and capturing changes in our customers in their lifestyles and business environments, and working with the sales people in charge of corporate clients and proposing solutions that utilize the Group’s management resources. It has also been working to provide services that make delivery and pick-up more convenient, particularly the “Kuroneko Members” service, which has more than 50 million registered members, and the “Yamato Business Members” service, which is used by more than 1.5 million corporate clients, and also through efforts to upgrade various services other than those involving transportation that are beneficial in terms of people’s lives and business.
- ② In the nine months ended December 31, 2022, we enhanced functions for when customers make requests on the web for TA-Q-BIN parcels to be picked up, as well as collaborate with flea market operators and operators of parcel lockers in the ground floor lobby areas of condominiums, to allow users to send parcels

from parcel lockers without having to interact with anybody, in order to make our services more convenient and offer an even better customer experience.

- ③ Operating revenue of the Retail Business Unit from external clients amounted to 694,010 million yen, up 0.9% from the previous year, as a result of our efforts to provide optimal sending and receiving of parcels in accordance with diversifying needs. Operating expenses increased 5.8% from the previous year due to the increase in expenses related to the promotion of our Medium-term management plan “One YAMATO 2023”, and operating profit declined 10,324 million yen from the previous year.

● Corporate Business Unit

- ① The Corporate Business Unit provides value across entire corporate logistics supply chains, including the midstream and upstream domains of business. In order to do so, the Unit takes on initiatives that included planning supply chain management (SCM) strategies that contribute to clients' business decisions, above and beyond improving and streamlining logistics operations, and it furthermore engaged in account management, which involved developing effective strategies and assuming responsibility through to management and operation.
- ② In the urban areas where the growing EC demand is concentrated, the Unit has been building an EC logistics network with more simplified operations covering sorting, transportation and last-mile deliveries. To optimize logistics for e-commerce vendors with stores in online shopping malls, we used our partnerships with major e-commerce companies to implement initiatives to further improve convenience and expand sales for services that completely or partially replace operational functions from order receiving to shipping and delivery. Moreover, for cross-border EC where demand is growing, we are promoting initiatives to seamlessly link the import and customs-related system and the domestic delivery network, thereby shortening the delivery lead-time.
- ③ For retailers who are developing physical stores and e-commerce omni-channel sales frameworks, the Unit has been promoting efforts to optimize inventory and logistics through centralized management, thereby making clients' inventories in their omni-channel operations more fluid, by combining the consolidated and enlarged business facilities with the transportation networks. Moreover, we are focusing on making proposals in our sales activities to provide comprehensive value, such as through one-stop management of clients' logistics operations by the Yamato Group, covering the entire process starting from procuring merchandise for their physical stores as well as their official e-commerce sites, to the storage, packaging and sending of such merchandise.
- ④ In the third quarter of the fiscal year ending March 2023, we worked on innovating the entire supply chain of our customers, such as reducing the total logistics cost by optimizing the logistics and inventory management of a car component maker with which we signed the Lead Logistics Partner contract in September 2022, enhancing their value proposition to customers, and realizing logistics with a low environmental burden by making visible and reducing GHG emissions. We are continuing to make maximum use of Yamato Group's management resources, providing value on an “End to End” basis from the upstream to the downstream of supply chains, such as by establishing a D2C (Direct to Consumer) distribution scheme for a company that sells food products, by making use of Yamato Transport's sorting facilities that have the temperature-control function integrated in them, as well as signing a logistics partnership contract with an apparel company in order to build a sustainable supply chain.
- ⑤ Operating revenue from customers amounted to 656,967 million yen, up 6.0% from the previous fiscal year, mainly as a result of the Unit tapping the growing e-commerce demand, as well as promoting logistics optimization of corporate clients. Operating expenses increased 5.1% from the previous year due to factors including the increase in expenses related to the promotion of our Medium-term management plan “One YAMATO 2023”, and operating profit declined 2,501 million yen from the previous year.

(Reference)

(Million parcels / units)

Category	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022	Change	Growth (%)
TA-Q-BIN/TA-Q-BIN Compact/EAZY	1,454	1,492	37	2.6
Nekopos	284	311	26	9.4
Kuroneko DM-Bin	623	607	(16)	(2.7)

● **Other**

- ① During the nine months ended December 31, 2022, we continued to promote efforts to expand sales for transportation by transport box taking advantage of the network consisting of multiple corporate groups and for vehicle maintenance services.
- ② Operating revenue from customers was 44,989 million yen, down 30.3% from the previous year. Operating profit was 11,169 million yen, down 1,710 million yen from the previous year.

ESG Initiatives

- ① The Yamato Group places utmost priority on protecting human life and conducts a range of safety measures. Accordingly, its transport safety management practices in that regard involve drawing up its Safety Management Regulations, building up its transport safety management systems, and formulating annual plans, all centered on respective Group companies whose main operations involve transport. During the nine months ended December 31, 2022, we resumed the “Traffic Safety Class for Children” at kindergartens and elementary schools, which we had suspended due to COVID-19. Moreover, the entire Yamato Group carried out the “Zero Traffic Accidents Campaign” in order to improve safety awareness.
- ② For the Yamato Group, enhancing corporate value is one of the most important management priorities, and the Group is engaged in various initiatives to strengthen its management structure, as part of its corporate governance effort. Based on the Group’s corporate philosophy, we conduct business activities in accordance with laws and social norms, and are promoting compliance-based management.
- ③ The Yamato Group has been working to strengthen its sustainable management, by establishing the Sustainable Medium-Term Environmental Plan 2023 and Medium-Term Social Plan 2023, based on our two visions outlined in the transformation plan “YAMATO NEXT100”; “Connect. Deliver the Future via Green Logistics” and “Through Co-Creation and Fair Business Activities, Help Create a Society That Leaves No One Behind”.
- ④ Under the “Environmental” component of the Sustainable Medium-Term Environmental Plan 2023 and Medium-Term Social Plan 2023, together with the quantitative targets to lower the environmental burden from our business activities, we have set targets for areas such as materials and vehicles, where the logistics industry can contribute in spreading innovative technologies. The Yamato Group is aiming for green logistics in partnership with our diverse partners, as well as providing products and services with a low environmental burden, thereby creating environmental value. Moreover, as one of the initiatives to achieve carbon neutrality, we are continuing to work on the projects selected in July 2022 by the New Energy and Industrial Technology Development Organization (NEDO): the “Introduction and Operation of EVs for the Realization of Green Delivery,” an independent proposal project, and the “Establishment and Large-Scale Trial of an Energy Management System for the Dissemination of Commercial Electric Vehicles,” which is a joint project.
- ⑤ Under the “Social” component of the Sustainable Medium-Term Environmental Plan 2023 and Medium-Term Social Plan 2023, the Yamato Group respects the diversity of its people, and established a work environment that brings out the best of employees, addressing various social issues, and creating an enriched society through measures such as promoting regional development through collaborations. We will further contribute to realizing a society that respects human rights and diversity, through the build-up of knowledge to improve universal manners, such as using the “Universal Manner Qualification” for Yamato Group employees to learn about the appropriate way to offer support to disabled customers when receiving

and sending parcels from their homes and from the TA-Q-BIN Offices, as well as spreading that knowledge through our employees responsible for facing customers.

- ⑥ Aiming to create more sustainable social value, the Yamato Group promotes initiatives for sharing value with society based on the concept of “Creating Shared Value (CSV).” We continue to operate the Neko Support Station as a local community facility that supports the healthy and sustainable development of the local community, and the safe and comfortable lives of people in the area. We also provide housekeeping support services, monitoring services that use “HelloLight” IoT light bulbs, consultation services for everyday life, and hold events that enable interaction among community members.
- ⑦ Aspiring to be a company that continually evolves in step with society, and led by the Yamato Welfare Foundation, the Yamato Group conducts various activities to help realize a society in which disabled people can experience the joy of working autonomously. Specifically, we engage in ongoing programs that support economic independence of people with disabilities, such that include actively employing people with disabilities at the Swan Bakery which makes and sells bread, providing them with workplaces through the consigned delivery of Kuroneko DM-Bin, and operating job-finding support facilities where they take part in training to acquire skills and knowledge necessary for employment.

(2) Explanation of financial position

Total assets were 1,160,733 million yen as of December 31, 2022, up 73,878 million yen from the end of the previous fiscal year. The increase was largely attributable to the increase in notes and accounts receivable - trade, and contract assets of 77,245 million yen.

Liabilities increased 60,530 million yen to 549,151 million yen from the end of the previous fiscal year. The increase was attributable to the 29,499 million yen increase in notes and accounts payable - trade, the 17,449 million yen increase in accrued consumption taxes, and the 10,000 million yen increase in short-term borrowings.

Total net assets were 611,581 million yen, up 13,348 million yen from the end of the previous fiscal year. The major factors included profit attributable to owners of the parent being 39,087 million yen, and conducting 16,783 million yen of dividends of surplus, as well as the acquisition of 10,000 million yen of our own shares.

As a result, the equity ratio changed to 52.2% from 54.3% in the previous fiscal year.

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

In terms of the current economic environment surrounding the Yamato Group, domestic demand is gradually recovering, driven by the normalization of economic activity despite the lingering effect of COVID-19. On the other hand, global inflationary trends are continuing, with the price of natural resources and energy remaining high due to instability in global affairs, and the hike in raw material prices, while there are signs of economic slowdown in the U.S. and Europe, where policy rates have been raised continuously, making it hard to foresee a full-fledged economic recovery.

Under such circumstances, Yamato Group has been working to provide comprehensive value in addressing the needs of customers and society, with its sights set on transforming the supply chain in response to changing lifestyles and distribution structures, based on the Medium-term management plan "One YAMATO 2023", with the fiscal year ending March 31, 2024 set as its final fiscal year.

As for the full-year earnings forecast, operating revenue is expected to be lower than the previous forecast, due to the status of earnings in the third quarter as well as current demand trends. Operating profit is expected to be lower than the previous forecast, due to the decline in operating expenses in accordance with lower operating revenue being limited. Profit attributable to owners of parent will remain unchanged, due to the expected booking of deferred tax assets and income taxes-deferred, in relation to the review of tax effect accounting.

The changes from the previously announced full-year consolidated earnings forecast (announced on November 7, 2022) is as follows:

Consolidated earnings forecast for the full year of the fiscal year ending March 31, 2023

	Operating revenue	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	1,835,000	75,000	72,000	45,000	124.16
New forecast (B)	1,809,000	61,000	58,000	45,000	124.16
Change (B-A)	(26,000)	(14,000)	(14,000)	0	—
Change (%)	(1.4)	(18.7)	(19.4)	0.0	—

2. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	182,644	165,477
Notes and accounts receivable - trade, and contract assets	218,922	296,168
Accounts receivable - installment	48,055	51,019
Merchandise and finished goods	186	91
Work in process	167	159
Raw materials and supplies	1,861	2,055
Other	30,462	38,959
Allowance for doubtful accounts	(1,456)	(1,457)
Total current assets	480,844	552,473
Non-current assets		
Property, plant and equipment		
Buildings and structures	376,844	379,686
Accumulated depreciation	(219,830)	(226,603)
Buildings and structures, net	157,013	153,082
Vehicles	197,104	198,244
Accumulated depreciation	(171,897)	(170,798)
Vehicles, net	25,207	27,445
Land	179,650	179,804
Leased assets	39,653	41,650
Accumulated depreciation	(11,286)	(12,367)
Leased assets, net	28,366	29,282
Other	140,785	151,044
Accumulated depreciation	(101,144)	(104,654)
Other, net	39,640	46,389
Total property, plant and equipment	429,878	436,005
Intangible assets	45,646	44,585
Investments and other assets		
Investment securities	47,972	45,355
Other	84,124	84,092
Allowance for doubtful accounts	(1,611)	(1,779)
Total investments and other assets	130,484	127,668
Total non-current assets	606,010	608,260
Total assets	1,086,854	1,160,733

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	165,346	194,845
Short-term borrowings	15,000	25,000
Lease liabilities	4,850	5,616
Income taxes payable	14,395	16,737
Deferred installment income	4,714	4,823
Provision for bonuses	38,942	13,841
Other	109,558	145,648
Total current liabilities	352,807	406,513
Non-current liabilities		
Lease liabilities	26,038	27,756
Retirement benefit liability	94,141	98,006
Other	15,633	16,874
Total non-current liabilities	135,814	142,637
Total liabilities	488,621	549,151
Net assets		
Shareholders' equity		
Share capital	127,234	127,234
Capital surplus	36,813	36,834
Retained earnings	464,494	467,080
Treasury shares	(49,551)	(39,834)
Total shareholders' equity	578,991	591,315
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,498	10,374
Foreign currency translation adjustment	(513)	2,893
Remeasurements of defined benefit plans	565	784
Total accumulated other comprehensive income	11,551	14,052
Non-controlling interests	7,690	6,214
Total net assets	598,233	611,581
Total liabilities and net assets	1,086,854	1,160,733

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

(Millions of yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Operating revenue	1,372,386	1,395,967
Operating costs	1,245,685	1,288,090
Operating gross profit	126,701	107,876
Selling, general and administrative expenses	47,528	41,476
Operating profit	79,172	66,400
Non-operating income		
Interest income	144	177
Dividend income	1,330	1,620
Gain on investments in investment partnerships	4,240	-
Other	1,395	1,471
Total non-operating income	7,110	3,268
Non-operating expenses		
Interest expenses	595	626
Share of loss of entities accounted for using equity method	266	3,994
Other	238	812
Total non-operating expenses	1,100	5,434
Ordinary profit	85,183	64,235
Extraordinary income		
Gain on sales of non-current assets	1	1
Gain on sales of investment securities	881	-
Penalty income	53	127
Gain on liquidation of subsidiary	1,210	-
Gain on introduction of retirement benefit plan	1,419	-
Other	-	0
Total extraordinary income	3,566	130
Extraordinary losses		
Loss on retirement of non-current assets	274	313
Impairment losses	1,555	1,111
Loss on sale of investment securities	431	4
Loss on valuation of investment securities	48	2
Dismantlement expenses	-	753
Loss on revision of retirement benefit plan	14,999	-
Other	202	12
Total extraordinary losses	17,510	2,197
Profit before income taxes	71,239	62,168
Income taxes	23,289	23,554
Profit	47,950	38,613
Profit attributable to non-controlling interests	170	(473)
Profit attributable to owners of the parent	47,779	39,087

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Profit	47,950	38,613
Other comprehensive income		
Valuation difference on available-for-sale securities	4,152	(1,138)
Foreign currency translation adjustment	385	3,390
Remeasurements of defined benefit plans, net of tax	(3,212)	252
Share of other comprehensive income of entities accounted for using equity method	7	(19)
Total other comprehensive income	1,333	2,485
Comprehensive income	49,283	41,099
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	48,804	41,588
Comprehensive income attributable to non-controlling interests	479	(488)

(3) Notes to consolidated financial statements

(Notes to premise of going concern)

Not applicable.

(Notes when there are significant changes in amounts of equity)

Not applicable.

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

Major changes to the scope of consolidation

During the three months ended June 30, 2022, Yamato Web Solutions Co., Ltd. has been dissolved, with Yamato System Development Co., Ltd. as the surviving company, and has been removed from the scope of consolidation.

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

Calculation of tax expenses

Tax expenses are calculated by multiplying the profit before income taxes by the reasonably estimated effective tax rates after the application of tax effect accounting to the profit before income taxes for the fiscal year including the three months ended December 31, 2022.

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

I. For the nine months ended December 31, 2021

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

(Millions of yen)

	Retail Business Unit	Corporate Business Unit	Other (Note 1)	Total	Reconciliation (Note 2)	Amount recorded in consolidated statement of income (Note 3)
Operating revenue						
Operating revenue from customers	687,910	619,937	64,538	1,372,386	-	1,372,386
Inter-segment operating revenue or transfers	211,193	20,864	94,014	326,073	(326,073)	-
Total	899,104	640,802	158,553	1,698,460	(326,073)	1,372,386
Segment profit	46,178	21,438	12,880	80,497	(1,324)	79,172

Notes: 1. "Other" includes Yamato Home Convenience Co., Ltd. (lifestyle support services), Yamato System Development Co., Ltd. (information systems development) and Yamato Autoworks Co., Ltd. (collective vehicle management agent business for transportation companies), etc.

2. The adjustment of negative 1,324 million yen of segment profit includes group-wide expenses of negative 8,425 million yen not allocated to each reportable segment (general and administrative expenses of the Company as a pure holding company) and eliminating transactions among segments of 7,100 million yen.

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

2. Information regarding impairment losses related to non-current assets or goodwill etc. for each reporting segment

(Major impairment losses related to non-current assets)

In segment "Other", an impairment loss of 1,555 million yen was booked in the nine months ended December 31, 2021, as a result of lowering the book value of the asset group for which profitability has declined, to the value equal to the amount that can be collected.

II. For the nine months ended December 31, 2022

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

(Millions of yen)

	Retail Business Unit	Corporate Business Unit	Other (Note 1)	Total	Reconciliation (Note 2)	Amount recorded in consolidated statement of income (Note 3)
Operating revenue						
Operating revenue from customers	694,010	656,967	44,989	1,395,967	-	1,395,967
Inter-segment operating revenue or transfers	244,345	12,928	85,967	343,241	(343,241)	-
Total	938,355	669,896	130,957	1,739,208	(343,241)	1,395,967
Segment profit (loss)	35,853	18,936	11,169	65,960	440	66,400

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

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

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

2. Information regarding impairment losses related to non-current assets or goodwill etc. for each reporting segment

(Major impairment losses related to non-current assets)

In segment "Other", an impairment loss of 908 million yen was booked in the nine months ended December 31, 2022, as a result of lowering the book value of the asset group for which profitability has declined, to the value equal to the amount that can be collected.

3. Supplementary Information

Operating revenue by segment

Business segment	Income	For the nine months ended December 31, 2021		For the nine months ended December 31, 2022		Change (%)
		Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	
Retail Business Unit	Transportation income	877,403	63.9	917,000	65.7	4.5
	Logistical support income	3,328	0.2	2,342	0.2	(29.6)
	Others	21,138	1.5	20,886	1.5	(1.2)
	Eliminations	(213,959)	(15.6)	(246,219)	(17.6)	15.1
	Total	687,910	50.1	694,010	49.7	0.9
Corporate Business Unit	Transportation income	468,258	34.1	478,217	34.3	2.1
	Logistical support income	179,120	13.1	203,011	14.5	13.3
	Others	24,943	1.8	25,834	1.9	3.6
	Eliminations	(52,385)	(3.8)	(50,095)	(3.6)	(4.4)
	Total	619,937	45.2	656,967	47.1	6.0
Other	Transportation income	36,665	2.7	18,638	1.3	(49.2)
	Others	136,287	9.9	118,288	8.5	(13.2)
	Eliminations	(108,414)	(7.9)	(91,936)	(6.6)	(15.2)
	Total	64,538	4.7	44,989	3.2	(30.3)
Total		1,372,386	100.0	1,395,967	100.0	1.7