Translation

April 26, 2019

Consolidated Financial Results for the Year Ended March 31, 2019 <under Japanese GAAP>

Company name: Yamato Holdings Co., Ltd.
Listing: Tokyo Stock Exchange
Stock code: 9064
URL: http://www.yamato-hd.co.jp/
Representative: Yutaka Nagao, President
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Scheduled date of the ordinary general meeting of shareholders: June 25, 2019
Scheduled date of the commencement of dividend payment: June 4, 2019
Scheduled date of the submission of annual securities report: June 21, 2019
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 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
For the year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2019	1,625,315	5.6	58,345	63.5	54,259	50.4	25,682	40.9
March 31, 2018	1,538,813	4.9	35,685	2.3	36,085	3.4	18,231	1.0

(Note) Comprehensive income: For the year ended March 31, 2019: 26,987 million yen (18.5 %)
For the year ended March 31, 2018: 22,772 million yen ((0.6) %)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to operating revenue
For the year ended	Yen	Yen	%	%	%
March 31, 2019	65.14	—	4.6	4.8	3.6
March 31, 2018	46.24	—	3.3	3.2	2.3

(Reference) Equity in earnings of affiliates: For the year ended March 31, 2019: (4,872) million yen
For the year ended March 31, 2018: (1,355) 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, 2019	1,123,659	573,388	50.4	1,435.15
March 31, 2018	1,114,870	557,586	49.4	1,395.74

(Reference) Equity: As of March 31, 2019: 565,841 million yen As of March 31, 2018: 550,307 million yen
(Note) The Group has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) effective from the beginning of the fiscal year ended March 31, 2019. The figures presented for the consolidated financial position for the previous fiscal year reflect amounts that have been adjusted retrospectively to reflect the aforementioned standard, etc.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
For the year ended	Millions of yen	Millions of yen	Millions of yen	Millions of Yen
March 31, 2019	118,093	(54,872)	(70,947)	194,650
March 31, 2018	51,728	(41,174)	(36,930)	202,863

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 2018	—	13.00	—	14.00	27.00	10,645	58.4	2.0
Fiscal 2019	—	14.00	—	14.00	28.00	11,039	43.0	2.0
Fiscal 2020 (Forecast)	—	15.00	—	16.00	31.00		30.6	

3. Consolidated earnings forecasts for fiscal year 2020 (from April 1, 2019 to March 31, 2020)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year	807,000	2.3	12,000	(48.8)	12,000	(47.3)	4,000	(59.9)	10.15
Full year	1,695,000	4.3	72,000	23.4	72,000	32.7	40,000	55.7	101.45

* Notes

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

(2) Changes in accounting policies, changes in accounting estimates, and restatement
a. Changes due to revision to accounting standards, etc.: None
b. Changes other than a: None
c. Changes in accounting estimates: None
d. Restatement: None

(3) Number of issued shares (common shares)
a. Number of issued shares as of the end of the period (including treasury shares)
As of March 31, 2019: 411,339,992 shares
As of March 31, 2018: 411,339,992 shares
b. Number of treasury shares as of the end of the period
As of March 31, 2019: 17,065,526 shares
As of March 31, 2018: 17,064,197 shares
c. Average number of shares during the period
For the year ended March 31, 2019: 394,275,053 shares
For the year ended March 31, 2018: 394,276,572 shares

(Note) For details of the number of shares used to calculate consolidated basic earnings per share, please refer to "Per share information" on page 26.

*Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

*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 "1. Overview of Operating Results and Others, (4) Future outlook" of the attached materials to the financial results report on pages 8 to 9.
- The Company plans to hold a financial results meeting for analysts on May 7, 2019. The materials distributed at this financial results meeting shall be posted on the Company's website after the meeting has been held.

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1. Overview of Operating Results and Others

(1) Overview of operating results for the fiscal year ended March 31, 2019

In the fiscal year ended March 31, 2019, the economic environment was plagued by ongoing uncertainties ahead due to factors that have included effects of political developments overseas, yet gradual economic recovery held course amid underlying strengths in corporate earnings. Moreover, the logistics industry continues to face a severe business environment partially due to tightening of the domestic labor market, which is in addition to an upward trend with respect to small parcel volume partially due to expansion of the e-commerce market brought about by rapidly changing styles of consumption.

Under such circumstances, the Yamato Group has been striving to enhance its management foundations in order to continue achieving sustainable growth and thereby enable the Group to keep providing high-quality services based on “KAIKAKU 2019 for NEXT100” medium-term management plan, which while “reforming working styles” is centered on management, focuses on reforms in the three areas of “structural reform in the Delivery Business,” “reform of revenue and business structure geared to achieving discrete growth,” and “reform of Group management structure geared to achieving sustainable growth.”

In the Delivery Business, we promoted our initiatives to rebuild our “last mile” network that include adequate pricing initiatives and enhancement of collection and delivery systems to live up to the trust and expectations of customers in order to strike a balance between regaining profitability and expanding collection and delivery capacity. As a result, our financial performance was firm due to rise in TA-Q-BIN unit price, despite increasing expenses related to our reform initiatives.

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

Our consolidated financial results for the fiscal year ended March 31, 2019 were as follows.

(Millions of yen)

Item	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Change	Growth (%)
Operating revenue	1,538,813	1,625,315	86,501	5.6
Operating profit	35,685	58,345	22,659	63.5
Ordinary profit	36,085	54,259	18,173	50.4
Profit attributable to owners of parent	18,231	25,682	7,450	40.9

As mentioned above, operating revenue amounted to 1,625,315 million yen, up 86,501 million yen from the previous fiscal year. This is largely attributable to an increase in the TA-Q-BIN unit price, and despite a decrease in TA-Q-BIN delivery volume amid promotion of structural reforms in the Delivery Business. Operating expenses amounted to 1,566,969 million yen, up 63,841 million yen from the previous fiscal year. This is largely attributable to an increase in personnel expenses and despite a decrease in commission expenses, mainly as a result of having increased the workforce looking toward building collection and delivery systems.

As a result, operating profit amounted to 58,345 million yen, up 22,659 million yen from the previous fiscal year.

Meanwhile, based on investigation results into the situation where Yamato Home Convenience Co., Ltd. was found to have inappropriately billed employees of corporate clients for moving services, we previously recorded an estimated effect of the incident amounting to 3,104 million yen. However, the effect of the incident ultimately amounted to 2,025 million yen as a result of our having made progress in addressing client issues.

Initiatives for the entire Yamato Group

a. The Yamato Group has been taking steps on a Group-wide basis to develop an upbeat working environment, which is more “employee-friendly” and “rewarding,” centered on the “Office for Reforming Working Styles” established in Yamato Transport Co., Ltd., and its “Working Styles Innovation Committees” in its respective Group companies, as a means of placing utmost priority on “reforming working styles” in order to practice “inclusive management,” a Yamato Group founding principle. Moreover, we have been pursuing our “Value Networking” design, on the basis of creating business models for generating a high level of added value through the combined efforts of our respective businesses, while at the same time contributing to growth strategies and international competitive strengths of the Japanese economy. Meanwhile, we are also taking steps to forge a robust corporate culture that acts as a foundation for business creation and development.

b. We continued to drive initiatives geared toward forging a more robust corporate culture. To that end, we worked on enhancing the efficiency and dependability of operations, in part by improving our transport systems and by using our information technology network to enable visual monitoring of operating volumes. Moreover, we actively engaged in CSR-related activities linked to Yamato Group business endeavors, such as through safety and environmental measures, and efforts to prosper communities and drastic and comprehensive rebuilding of governance across the Group.

c. To further evolve our “Value Networking” design, we have been crafting business models that deliver a high level of added value by leveraging the Yamato Group’s business network. Also, to address varied customer needs in Japan and overseas, we will make more effective use of our innovative network platform consisting of the “Haneda Chronogate,” “Okinawa International Logistics Hub,” and respective gateways linking major cities in the Kanto, Chubu, and Kansai regions, in addition to our existing “last mile” network.

d. In our business looking toward global markets, we have been working to forge collaboration among five regions, Japan, East Asia, South East Asia, Europe and the Americas, while strengthening our capabilities in each geographic region to respond to the growth of cross-border logistics. In addition, we have been actively promoting efforts to build cross-border networks that provide substantial added value by leveraging our certification under international standards pertaining to small parcel chilled and frozen goods delivery services, such that has already been acquired by eight Yamato Group companies.

e. With the aim of improving customer convenience particularly in the e-commerce market, we have been continuously working to establish an environment that ensures customers ease in picking up their parcels. To that end we have been actively promoting efforts to build an open-type network of parcel lockers primarily in train stations, convenience stores and other such locations, and have worked on other efforts for the development of next-generation logistics services including the utilization of automated driving technologies. Moreover, we have been taking steps that involve digitization, automation and streamlining of our overall logistics operations in order to address challenges presented by society such as the labor shortage as it intensifies, and in order to better serve the rapidly expanding e-commerce market. In the fiscal year ended March 31, 2019, we initiated joint trunk-route transportation enlisting multiple companies using long connected trailers that enable large-volume transport, and gained approval in that regard from Japan’s Ministry of Land, Infrastructure, Transport and Tourism (MLIT) under Japan’s Act on Advancement of Integration and Streamlining of Distribution Business.

Summary of each operating segment

- **Delivery**

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

(Million parcels / units)

Category	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Change	Growth (%)
TA-Q-BIN	1,836	1,803	(33)	(1.8)
Kuroneko DM-Bin	1,464	1,211	(253)	(17.3)

a. In the Delivery Business, the Yamato Group concentrated on TA-Q-BIN-centered business development, aiming to provide infrastructure that best suits our customers and contribute to enriching people’s lives.

b. Amid a severe business environment partially due to tightening of the domestic labor market, which is in addition to an upward trend with respect to small parcel volume partially due to expansion of the e-commerce market brought about by rapidly changing styles of consumption, during the fiscal year under review, continuing on from the previous fiscal year, we promoted our initiatives to rebuild our “last mile” network that include adequate pricing initiatives and enhancement of collection and delivery systems to live up to the trust and expectations of customers in order to strike a balance between regaining profitability and expanding collection and delivery capacity. In addition, we also engaged in efforts geared to structural reform of trunk-route networks for the purposes of further streamlining transportation and optimizing the entire network.

c. In the still growing e-commerce market, we have been taking steps to expand sales of the “TA-Q-BIN Compact” and “Nekopos” services which enable customers to send small parcels simply, and proceeded with offering a greater number of drop-off points for sending by collaborating with multiple flea market websites. During the fiscal year under review, we teamed up with e-commerce companies in offering a service environment where customers who have purchased a product are able to specify either a business office of Yamato Transport Co., Ltd., a convenience store or an open-type parcel locker (PUDO station) as a location for pick-up, while also promoting use of our “Kuroneko Members” service for individual customers. Meanwhile we have also been working in conjunction with flea market websites and e-commerce companies in efforts to provide greater convenience by developing a service environment that makes it easier for individual customers to ship merchandise from PUDO station open-type parcel lockers.
d. With respect to corporate clients, we have been accurately pinpointing managerial challenges and actively proposing solutions to address those challenges. Moreover, we have been working to boost profitability by making proposals that provide high added value using the Group’s business resources. During the fiscal year under review, we made efforts to support business of our customers through initiatives that have included promoting membership in the “Yamato Business Members” service for corporate clients, offering them enhanced features that provide greater convenience.
e. We have been taking steps to improve services for residents geared toward resolving issues facing communities. In part, this has involved collaborating with numerous municipalities and companies in efforts that entail helping those who have difficulties doing their shopping and helping to watch over elderly residents. Moreover, we have also been helping to revitalize local industry particularly through initiatives that involve supporting tourism and helping to expand sales channels for locally produced products.
f. Operating revenue amounted to 1,297,222 million yen, up 7.9% from the previous fiscal year owing to a higher TA-Q-BIN unit price despite a decrease in TA-Q-BIN delivery volume for the fiscal year under review as a result of promotion of “structural reforms in the Delivery Business.” Amid increasing expenses related to our reform initiatives, operating profit amounted to 40,787 million yen, an improvement of 34,030 million yen from the previous fiscal year.

- **BIZ-Logistics**

a. In the BIZ-Logistics Business, the Yamato Group is providing customers with innovative logistics systems by combining management resources such as the TA-Q-BIN network with logistics functions, maintenance and recall handling functions, cleansing functions for medical devices and international transportation functions.
b. For the e-commerce industry and others, we are offering one-stop services for various types of logistical support services in line with customer needs, including placing and accepting orders, visual monitoring of inventories for customers and enabling speedier shipments. During the fiscal year under review, we promoted efforts to increase sales of this service, particularly among our existing customers.
c. For medical service providers, we have been developing medical device loaner support (storage, cleaning and delivery) and other services that help revolutionize logistics operations. During the fiscal year under review, use of this service increased particularly among our existing large-lot customers.
d. Operating revenue amounted to 147,437 million yen, up 1.6% from the previous fiscal year mainly as a result of our having expanded sales of trading logistics services and maintenance services, and also due to progress made in providing industry-specific solutions. Operating profit amounted to 3,329 million yen, down 52.8% from the previous fiscal year mainly as a result of having incurred upfront expenses to achieve business growth.

- **Home Convenience**

a. In the Home Convenience Business, we have been working toward enabling customers to achieve greater convenience and comfort in their lives through lifetime lifestyle support businesses and corporate enterprise business that draw on the Yamato Group’s nationwide network.
b. Operating revenue amounted to 33,404 million yen, down 25.5% from the previous fiscal year. The decrease was partially a result of having stopped taking new orders with respect to all moving-related services, including those involving individual customers, resulting from a situation involving inappropriate

billing for moving-related services provided to employees of corporate clients. Meanwhile, although we previously recorded an estimated effect of the incident amounting to 3,104 million yen based on investigation results regarding such inappropriate billing, the effect of the incident ultimately amounted to 2,025 million yen as a result of our having made progress in addressing the issues of clients. As for profits, the segment posted an operating loss of 7,764 million yen partially because of the stop on taking new orders with respect to all moving-related services, and also because of the aforementioned effect of the incidents on profits.

- **e-Business**

a. In the e-Business, the Yamato Group helps customers streamline their business processes and solve potential issues by proactively developing solution platform business that combines logistics technology and financial technology with information technology. In addition, with the aim of helping to accelerate growth of Yamato Group businesses, we have been moving beyond conventional information technologies through efforts geared to promoting use of emerging technologies that harness artificial intelligence (AI), the Internet of things (IoT) and other such innovations.
b. We have been offering the “Certified Web Retrieval Service” for the financial industry which enables subscribers to safely and simply submit documentation. The service helps our customers streamline their administrative operations by enabling service subscribers to use their smartphones, personal computers and other such devices to upload identification papers and other documents necessary when completing application processes. During the fiscal year under review, we actively expanded sales of the service to the banking and insurance industry.
c. Operating revenue amounted to 26,592 million yen, down 2.6% from the previous fiscal year mainly due to effects of a decrease in the number of projects involving system processing for customers stemming from a decrease in TA-Q-BIN delivery volume, and despite having increased sales of the “Certified Web Retrieval Service” and having made progress in capturing more system configuration business as a result of enhanced sales activities for our existing customers. Operating profit amounted to 8,740 million yen, up 10.0% from the previous fiscal year mainly due to firm results with respect to use of our highly profitable existing services.

- **Financial**

a. In the Financial Business, the Yamato Group has been developing settlement and financial services tailored to a range of customer needs for payment collection of mail-order products, business-to-business transaction settlement, and vehicle leasing.
b. With respect to our payment settlement services, in addition to providing our mainstay service “TA-Q-BIN Collect,” we have also been promoting increased customer use of both our “Kuroneko Web Collect” comprehensive internet-based transaction settlement service, “Kuroneko Pay After Delivery Services” and our e-money settlement services. During the fiscal year under review, we have been taking steps to expand sales of our “Raku-uru Cart” service. This service helps business operators newly enter the e-commerce market, which is poised for expansion going forward, by providing one-stop support in terms of shopping cart function, payment settlement and delivery services. Moreover, we focused on improving our service offerings in part by promoting increased sales of our ID-linked “Kuroneko Pay” service that links “Kuroneko Member” information with purchases to promote greater convenience to customers who use online shopping while also helping e-commerce companies increase their sales.
c. In the lease services business, we have been working to expand business of financial leases primarily involving trucks and installment sales. We have also been developing peripheral operations that include providing vehicle referrals and resale support, while forging ahead in making proposals involving total solutions related to vehicles.
d. Operating revenue amounted to 79,966 million yen, down 3.6% from the previous fiscal year mainly due to a decrease in “TA-Q-BIN Collect” delivery volume largely stemming from a shrinking market for cash-on-delivery brought about by changing payment settlement needs, and despite increases in the use of our “Kuroneko Web Collect” and “Kuroneko Pay After Delivery Services.” Operating profit was 6,244 million yen, down 21.1% from the previous fiscal year.

- **Autoworks**

a. In the Autoworks Business, the Yamato Group provides its 24-hour-a-day, 365-day-a-year service that enables customers to service their vehicles without stopping operation, which involves carrying out periodic maintenance under a membership framework, thereby providing value to logistics operations providers in the form of "improvement of vehicle maintenance convenience" and "maintenance expense reduction." Furthermore, we provide services that help our customers improve their asset utilization ratios, by adding options of "maintaining and safeguarding logistics facilities and equipment, and improving such workplace environments," along with "offering insurance plans tailored to customer risk management needs" which provide coverage for such assets.
b. In vehicle maintenance services, we have embarked on efforts to handle new areas of business. For instance, this has involved providing support for reducing workloads of sales drivers and ensuring safe vehicle operation, carrying out inspections and maintenance of small electric trucks with lower exhaust emissions and large electric buses that are being put to use in tourism destinations, and developing the "Smart Tenko" driver roll call system which enables transportation companies to achieve higher quality operation management by drawing on data regarding employees and vehicles using Internet of things (IoT) technologies.
c. Operating revenue amounted to 25,985 million yen, up 5.5% from the previous fiscal year largely as a result of an increase in the number of vehicles serviced. Operating profit was 4,433 million yen, up 7.1% from the previous fiscal year mainly due to progress made in streamlining business processes, particularly in terms of standardizing and enabling visual monitoring of business operations by introducing production methods of manufacturers.

- **Other**

a. The "JITBOX Charter service" provides transportation by transport box. The service takes advantage of its network consisting of multiple companies and provides added value to customers through timely delivery and frequent, right-volume delivery. During the fiscal year under review, service use grew steadily due to favorable results with respect to existing services.
b. Operating profit excluding dividends which Yamato Holdings Co., Ltd. received from the Group companies decreased 1.5% from the previous fiscal year to 2,219 million yen.

CSR Initiatives

a. The Yamato Group places utmost priority on protecting human life and conducts a range of safety measures. During the fiscal year under review, the entire Yamato Group including its overseas operations carried out the "Zero Traffic Accidents Campaign," and Yamato Transport Co., Ltd. held the "8th Nationwide Safety Competition" and engaged in efforts to enhance the skills of the Group's professional drivers with respect to safe vehicle operation, while also heightening safety awareness and improving driving skills on a Group-wide basis. In addition, since 1998 we have been holding our "Safety Classes for Children," through which we convey the importance of traffic safety, in day care facilities, kindergartens and elementary schools across Japan. A total of about 3.28 million people have now participated.
b. The Yamato Group works to ensure that its distribution mechanisms are environmentally sound, under its policy of "Nekology" (combining "Kuroneko" with "ecology") for promoting its environmental conservation initiatives. We also hold "Kuroneko Yamato Environmental Class" sessions designed to provide support for environmental education of children who will bear responsibilities of the next generation. We have held such classes on an ongoing basis nationwide since 2005, attracting about 240 thousand participants so far.
c. Aspiring to be a company that continually evolves in step with society, led by Yamato Welfare Foundation, the Yamato Group conducts various activities to help realize a society in which disabled people can freely enjoy a lifestyle as a member of the workforce. Specifically, we engage in ongoing programs that support economic independence of people with disabilities, such that include actively employing people with disabilities at the Swan Bakery which makes and sells bread, providing them with workplaces through the consigned delivery of Kuroneko DM-Bin, and operating job-finding support facilities where they take part in training to acquire skills and knowledge necessary for employment. During the fiscal year under review,

our special subsidiary Swan Co., Ltd. (Swan), operator of Swan Bakery, entered into a franchise agreement with a partner company in Vietnam and opened a Swan Cafe & Bakery location in the city of Ho Chi Minh, Vietnam, which made that establishment Swan's first franchisee overseas.

d. Aiming to create more sustainable social value, the Yamato Group promotes initiatives for sharing value with society based on "Creating Shared Value (CSV)." During the fiscal year under review, we have promoted our "combined passenger-cargo" operations using scheduled-route passenger buses and railways in 14 prefectures nation-wide, thereby helping to improve lifestyle services for local residents by keeping scheduled bus and railway networks running in hilly and mountainous areas where populations are substantially declining and getting older, and also by streamlining distribution in those locations. In tourism destinations, our efforts that also helped revitalize local communities included our launch of hands-free travel service drawing on our "combined passenger-cargo" operations, targeting foreign visitors to Japan. In addition, for residents of suburban housing complexes which are undergoing changes with respect to people's life stages, we have been providing support for community development geared to ensuring that local residents are able to lead comfortable lives. Our efforts have involved helping to revitalize local communities where we have our business locations, and providing such residents with lifestyle support services that include handling shopping and housekeeping on their behalf. Moreover, we have been working with government bodies in efforts geared to revitalizing communities and resolving issues by leveraging the Yamato Group's management resources with respect to initiatives that include helping to watch over elderly residents, supporting tourism, and expanding sales channels for locally produced products in respective regions throughout Japan. We are currently involved in 966 initiatives now being implemented or otherwise under discussion.

e. In order to earn the confidence of Yamato Group's customers and society through acting as a company that forms an important part of social infrastructure, we have been promoting management in conformity with compliance and working on Group-wide initiatives with respect to "reforming working styles" through developing upbeat working environment which is more "employee-friendly" and "rewarding" for employees, such as promoting reviewing our management rules on working hours and creating new working styles for our employees.

(2) Overview of financial position for the fiscal year ended March 31, 2019

The Group has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) effective from the beginning of the first quarter of the fiscal year ended March 31, 2019. Accordingly, analysis and comparison of the Group’s financial position against the fiscal year ended March 31, 2018, has been performed on the basis of figures calculated upon retrospective application of such accounting standard.

Total assets were 1,123,659 million yen as of March 31, 2019, up 8,789 million yen from the end of the previous fiscal year. The major factor in this was an increase of 23,860 million yen in property, plant and equipment associated largely with acquisitions of vehicles and the establishment of new business locations in the Delivery Business, despite decreases of 8,467 million yen in cash and deposits, and 5,827 million yen in investment securities largely due to having recorded share of loss of entities accounted for using equity method.

Liabilities decreased 7,012 million yen to 550,270 million yen from the end of the previous fiscal year. The decrease was largely attributable to a 46,952 million yen decrease in loans payable primarily in the Financial Business and a 10,000 million yen decrease in Company-issued bonds which came due for redemption, despite a 17,144 million yen increase in lease obligations mainly as a result of having concluded new lease agreements particularly for facilities in the Delivery Business, and an increase of 12,727 million yen in income taxes payable largely associated with financial performance improvement in the Delivery Business.

Total net assets were 573,388 million yen, up 15,801 million yen from the end of the previous fiscal year. This was mainly attributable to an increase in retained earnings of 14,642 million yen due to the recording of profit attributable to owners of parent of 25,682 million yen and payment of dividends of surplus of 11,039 million yen.

Accordingly, the equity ratio changed to 50.4% from the previous fiscal year’s 49.4%.

(3) Overview of cash flows for the fiscal year ended March 31, 2019

Net cash provided by operating activities amounted to 118,093 million yen, which is an increase of 66,365 million yen compared with the previous fiscal year. This is largely attributable to an increase of 19,134 million yen due to the recording of profit before income taxes of 52,258 million yen and an increase of 21,997 million yen in decrease in notes and accounts receivable - trade.

Net cash used in investing activities was 54,872 million yen. Compared with the previous fiscal year, the amount of net cash used increased by 13,698 million yen. This is largely attributable to an 11,386 million yen increase in purchase of property, plant and equipment.

Net cash used in financing activities was 70,947 million yen. Compared with the previous fiscal year, the amount of net cash used increased by 34,017 million yen. This is largely attributable to a 23,319 million yen increase in repayment of loans payable and a 10,000 million yen increase in redemption of bonds.

As a result of the above, cash and cash equivalents were 194,650 million yen as of March 31, 2019, down 8,212 million yen from the end of the previous fiscal year.

(4) Future outlook

Going forward, the economic environment is likely to remain one that is plagued by ongoing uncertainties ahead due to factors such as effects of political developments overseas, despite the prospect of gradual economic recovery holding course amid underlying strengths in corporate earnings. Meanwhile, the severe business environment affecting the logistics industry is likely to persist amid factors that include further tightening of the domestic labor market, amid a continued upward trend with respect to small parcel volume brought about by rapidly changing styles of consumption and other such trends.

In that environment, Yamato Group will place a management focus on “reforming working styles” and endeavor to improve and develop the working environment, while promoting its “structural reforms in the Delivery Business.”

We anticipate an increase in operating revenue for the fiscal year ending March 31, 2020, in comparison with the fiscal year ended March 31, 2019. In part, this is due to the likelihood of an upturn in TA-Q-BIN delivery volume in conjunction with expanded collection and delivery capacity as we promote initiatives to rebuild our "last mile" network, and a gradual increase in the TA-Q-BIN unit price along with our ongoing efforts regarding adequate pricing initiatives. The forecast for higher operating revenue also assumes that we will expand our revenue base in the non-delivery businesses, which will involve taking steps to expand our existing service offerings by enlisting the strengths of Group companies, while also drawing on Group-wide ties in promoting solution sales geared toward addressing customers' business challenges. As for expenditures, we will focus on controlling outsourcing costs amid the likelihood of rising personnel expenses primarily with respect to employee salaries incurred in the process of promoting our "reforming working styles" initiatives, and increasing expenses incurred in promoting labor saving strategies and other forms of operational streamlining. The consolidated earnings forecasts reflect the effects of the current suspension of moving-related services by our consolidated subsidiary Yamato Home Convenience Co., Ltd.

We expect operating revenue will be 1,695.0 billion yen, with operating profit at 72.0 billion yen, ordinary profit at 72.0 billion yen and profit attributable to owners of parent at 40.0 billion yen.

(5) Operational and financial issues to be addressed

The Yamato Group aims to enhance its management foundations in order to continue achieving sustainable growth over the coming century. To such ends, we intend to address the following issues based on our "KAIKAKU 2019 for NEXT100" medium-term management plan looking toward our 100-year anniversary in 2019.

a. Our efforts to forge a robust corporate culture will involve placing top priority on ensuring levels of quality that instill customer confidence while strengthening ESG, which is to say increasing employee satisfaction, strengthening both legal and financial governance, and pursuing CSR initiatives. When it comes to increasing employee satisfaction in particular, we will place utmost priority on "reforming working styles," thereby practicing the Yamato Group founding principle of "inclusive management" by making "employee-friendly" and "rewarding" working environments a reality across the entire Yamato Group. To such ends, we will take action that includes securing workforce capacity by upgrading to more appealing personnel systems that attract a diverse range of talent, while also fostering employee pride and motivation through initiatives that entail re-establishing an educational system and adopting a performance evaluation scheme that facilitates an upbeat approach to work by rewarding employee independence and autonomy

b. Given the situation where Yamato Home Convenience Co., Ltd. (YHC) inappropriately billed corporate clients for moving-related services provided to their employees, we considered information and advice from an "investigation committee consisting of external independent experts" established within the Company, including a survey of facts relating to the incidents, analysis of the causes thereof, and proposals for measures to prevent recurrence, as well as administrative sanctions and business improvement orders issued to YHC by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). Accordingly, YHC has submitted reports to MLIT with respect to the improvement measures according to the orders, and has otherwise been taking steps to prevent a recurrence of such incidents through efforts that have included improving the organizational framework, comprehensively inspecting all moving-related services, fundamentally overhauling the moving business, and revamping product design. We have conducted another review to assess YHC's contractual compliance involving all of its moving-related services, including those for its individual customers, and have furthermore stopped YHC from taking new orders involving services that are not in compliance until YHC has finished re-designing product offerings so that they comply with contracts. Meanwhile, the Group Governance Project established at the Company has been spearheading efforts that involve comprehensively inspecting all of the Group's products and services, improving operations of the whistle-blower system, and implementing ethics education for employees. In so doing, we will continue to carry out drastic and comprehensive measures to rebuild Group governance, with the aim of enhancing sound Group management.

c. With respect to "reforming working styles" of Yamato Transport Co., Ltd. which is at the core entity of the Group, we will persist with initiatives that include "improving and implementing thorough labor management" and "encouraging a work-life balance" through efforts geared to placing top priority on "heightening employee satisfaction by bringing about a working environment where employees can take an upbeat approach to work." At the same time, in addressing the issue of the labor shortage as it extends into the future, we will work to heighten productivity across every aspect of Group operations, including collection and delivery operations, back-office and sorting operations, by linking systems with business operators, more swiftly setting up open-type parcel lockers (PUDO station), and optimizing the entire network, as well as active use of cutting-edge technologies. Furthermore, we will strike a balance between regaining profitability and expanding collection and delivery capacity through our efforts currently underway with respect to “rebuilding our ‘last mile’ network to make it more efficient” and “carrying out continuous and adequate pricing initiatives.”

d. We will contribute to Japanese economic growth strategies by pushing ahead with our “Value Networking” design which aspires to revolutionize logistics. We will persist with efforts to further develop our “last mile” network, the greatest strength of the Yamato Group, by making use of our “Haneda Chronogate,” and “Okinawa International Logistics Hub” facilities, as well as respective gateways linking major cities in the Kanto, Chubu, and Kansai regions. Meanwhile, we will work toward creating a business model that can generate a high level of added value that improves logistics speed, quality and costs, by fusing our business resources in areas such as information, logistics and transaction settlement within this network. Moreover, we will strengthen account sales geared to our corporate clients in Japan and overseas on a Group-wide basis, and otherwise work toward proposing solutions that address our customers’ challenges.
e. In our business looking toward global markets, leveraging certifications under international standards pertaining to chilled and frozen goods delivery services acquired by eight Yamato Group companies, we have been actively promoting efforts to build cross-border networks that provide substantial added value. In responding to the growth of cross-border logistics, we will continue working to forge collaboration among five regions, Japan, East Asia, South East Asia, Europe and the Americas, while strengthening our capabilities in each geographic region.
f. With the aim of enhancing our management foundations, we will incorporate cutting-edge digital technologies as we create new businesses and bring about evolution and innovation of our existing ones. In addition, to heighten our “capacity to generate earnings” leveraging the collective strengths of the Group, we will reform the structure of Group management and upgrade to a management system that combines three components: accounts management, managerial accounting, and human resources (performance evaluation).
g. We will build a platform that links us with government bodies and corporations in various regions throughout Japan, with the aim of providing support to people in their daily lives and revitalizing their local communities. 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 our core operations.

2. Fundamental Approach to Selection of Accounting Standards

The Yamato Group has adopted Japanese GAAP because the Group engages in business primarily in Japan. However, we intend to give ongoing consideration to IFRS and other accounting standards aligned with upcoming expansion into Asia and other locations overseas.

3. Consolidated Financial Statements and Significant Notes Thereto
(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	204,422	195,954
Notes and accounts receivable - trade	224,099	220,159
Accounts receivable - installment	46,692	44,802
Lease receivables and investment assets	52,641	54,537
Merchandise and finished goods	749	642
Work in process	146	194
Raw materials and supplies	1,919	2,410
Other	30,328	33,032
Allowance for doubtful accounts	(1,365)	(1,475)
Total current assets	559,635	550,258
Non-current assets		
Property, plant and equipment		
Buildings and structures	336,986	352,141
Accumulated depreciation	(198,538)	(204,191)
Buildings and structures, net	138,447	147,950
Machinery and equipment	65,522	70,201
Accumulated depreciation	(43,686)	(47,619)
Machinery and equipment, net	21,835	22,582
Vehicles	197,587	208,031
Accumulated depreciation	(180,329)	(183,835)
Vehicles, net	17,257	24,195
Land	174,959	175,995
Leased assets	15,669	31,537
Accumulated depreciation	(9,074)	(9,531)
Leased assets, net	6,595	22,006
Construction in progress	16,200	8,391
Other	91,421	89,347
Accumulated depreciation	(61,660)	(61,551)
Other, net	29,760	27,796
Total property, plant and equipment	405,057	428,918
Intangible assets		
Software	17,259	17,312
Other	2,872	3,311
Total intangible assets	20,131	20,624

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Investments and other assets		
Investment securities	59,841	54,013
Long-term loans receivable	2,978	4,039
Leasehold deposits	17,391	18,342
Retirement benefit asset	129	161
Deferred tax assets	47,022	44,385
Other	3,730	3,917
Allowance for doubtful accounts	(920)	(1,002)
Allowance for investment loss	(126)	–
Total investments and other assets	130,045	123,858
Total non-current assets	555,235	573,401
Total assets	1,114,870	1,123,659
Liabilities		
Current liabilities		
Notes and accounts payable - trade	155,323	158,938
Short-term loans payable	66,952	60,800
Current portion of bonds	10,000	–
Lease obligations	2,239	2,791
Income taxes payable	11,019	23,747
Deferred installment income	5,900	5,341
Provision for bonuses	33,208	35,844
Other	110,390	122,961
Total current liabilities	395,035	410,423
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	60,300	19,500
Lease obligations	3,548	20,142
Deferred tax liabilities	4,088	4,180
Retirement benefit liability	75,495	74,508
Other	8,814	11,515
Total non-current liabilities	162,247	139,847
Total liabilities	557,283	550,270

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Net assets		
Shareholders' equity		
Capital stock	127,234	127,234
Capital surplus	36,813	36,813
Retained earnings	416,854	431,497
Treasury shares	(39,081)	(39,085)
Total shareholders' equity	541,821	556,459
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,958	12,975
Foreign currency translation adjustment	1,146	(515)
Remeasurements of defined benefit plans	(5,618)	(3,078)
Total accumulated other comprehensive income	8,486	9,381
Non-controlling interests	7,279	7,547
Total net assets	557,586	573,388
Total liabilities and net assets	1,114,870	1,123,659

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

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Operating revenue	1,538,813	1,625,315
Operating cost	1,452,485	1,513,988
Operating gross profit	86,327	111,327
Selling, general and administrative expenses		
Personnel expenses	25,701	26,092
Provision for bonuses	1,100	1,022
Retirement benefit expenses	1,168	997
Commission expenses	6,928	6,704
Taxes and dues	8,061	9,412
Provision of allowance for doubtful accounts	813	1,267
Depreciation	1,923	1,412
Other	7,211	8,092
Total selling, general and administrative expenses	50,642	52,981
Operating profit	35,685	58,345
Non-operating income		
Interest income	136	153
Dividend income	844	883
Gain on sales of vehicles	278	267
Other	1,337	1,063
Total non-operating income	2,596	2,367
Non-operating expenses		
Interest expenses	271	275
Share of loss of entities accounted for using equity method	1,355	4,872
Other	569	1,305
Total non-operating expenses	2,196	6,453
Ordinary profit	36,085	54,259
Extraordinary income		
Gain on sales of non-current assets	179	9
Gain on sales of investment securities	1,639	37
Compensation for delay damages	–	1,775
Other	3	–
Total extraordinary income	1,821	1,822

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Extraordinary losses		
Loss on retirement of non-current assets	1,148	309
Impairment loss	3,241	2,087
Loss on valuation of investment securities	55	1,396
Provision of allowance for investment loss	126	–
Provision of allowance for doubtful accounts	136	–
Other	75	30
Total extraordinary losses	4,783	3,823
Profit before income taxes	33,123	52,258
Income taxes - current	14,621	24,651
Income taxes - deferred	(186)	1,656
Total income taxes	14,435	26,308
Profit	18,688	25,949
Profit attributable to non-controlling interests	456	267
Profit attributable to owners of parent	18,231	25,682

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	18,688	25,949
Other comprehensive income		
Valuation difference on available-for-sale securities	2,514	(115)
Foreign currency translation adjustment	1,569	(1,661)
Remeasurements of defined benefit plans, net of tax	0	2,541
Share of other comprehensive income of entities accounted for using equity method	(0)	273
Total other comprehensive income	4,084	1,038
Comprehensive income	22,772	26,987
(Breakdown)		
Comprehensive income attributable to owners of parent	21,779	26,577
Comprehensive income attributable to non-controlling interests	992	410

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	127,234	36,813	409,270	(39,077)	534,241
Changes of items during period					
Dividends of surplus			(10,645)		(10,645)
Decrease in retained earnings owing to changes in scope of equity method application			(2)		(2)
Profit attributable to owners of parent			18,231		18,231
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	7,584	(4)	7,580
Balance at end of current period	127,234	36,813	416,854	(39,081)	541,821

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	10,975	(422)	(5,614)	4,938	6,379	545,559
Changes of items during period						
Dividends of surplus						(10,645)
Decrease in retained earnings owing to changes in scope of equity method application						(2)
Profit attributable to owners of parent						18,231
Purchase of treasury shares						(4)
Disposal of treasury shares						0
Net changes of items other than shareholders' equity	1,983	1,569	(4)	3,548	899	4,447
Total changes of items during period	1,983	1,569	(4)	3,548	899	12,027
Balance at end of current period	12,958	1,146	(5,618)	8,486	7,279	557,586

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	127,234	36,813	416,854	(39,081)	541,821
Changes of items during period					
Dividends of surplus			(11,039)		(11,039)
Profit attributable to owners of parent			25,682		25,682
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	14,642	(4)	14,638
Balance at end of current period	127,234	36,813	431,497	(39,085)	556,459

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	12,958	1,146	(5,618)	8,486	7,279	557,586
Changes of items during period						
Dividends of surplus						(11,039)
Profit attributable to owners of parent						25,682
Purchase of treasury shares						(4)
Disposal of treasury shares						0
Net changes of items other than shareholders' equity	16	(1,661)	2,539	895	268	1,163
Total changes of items during period	16	(1,661)	2,539	895	268	15,801
Balance at end of current period	12,975	(515)	(3,078)	9,381	7,547	573,388

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	33,123	52,258
Depreciation	46,435	51,358
Impairment loss	3,241	2,087
Increase (decrease) in retirement benefit liability	2,232	1,935
Increase (decrease) in provision for bonuses	1,256	2,646
Increase (decrease) in provision for special wage payments	(15,129)	–
Interest and dividend income	(980)	(1,036)
Interest expenses	391	405
Share of loss (profit) of entities accounted for using equity method	1,355	4,872
Loss (gain) on sales of non-current assets	(106)	(9)
Loss on retirement of non-current assets	1,148	309
Loss (gain) on sales of investment securities	(1,639)	(37)
Loss (gain) on valuation of investment securities	55	1,396
Decrease (increase) in notes and accounts receivable - trade	(18,774)	3,222
Decrease (increase) in inventories	227	(295)
Increase (decrease) in notes and accounts payable - trade	(477)	3,772
Other, net	11,691	6,547
Subtotal	64,049	129,434
Interest and dividend income received	929	1,028
Interest expenses paid	(384)	(401)
Compensation for delay damages received	–	1,775
Income taxes paid	(12,866)	(13,744)
Net cash provided by (used in) operating activities	51,728	118,093
Cash flows from investing activities		
Payments into time deposits	(2,282)	(2,981)
Proceeds from withdrawal of time deposits	1,880	3,206
Purchase of property, plant and equipment	(36,671)	(48,058)
Proceeds from sales of property, plant and equipment	6,631	4,233
Purchase of investment securities	(1,708)	(513)
Proceeds from sales of investment securities	2,689	80
Payments of loans receivable	(4,537)	(2,949)
Collection of loans receivable	1,103	1,250
Other payments	(9,667)	(10,185)
Other proceeds	1,388	1,044
Net cash provided by (used in) investing activities	(41,174)	(54,872)

(Millions of yen)		
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	13,252	(13,342)
Repayments of finance lease obligations	(2,570)	(2,822)
Proceeds from long-term loans payable	4,000	–
Repayments of long-term loans payable	(40,876)	(33,600)
Redemption of bonds	–	(10,000)
Cash dividends paid	(10,640)	(11,035)
Dividends paid to non-controlling interests	(92)	(142)
Other, net	(4)	(4)
Net cash provided by (used in) financing activities	(36,930)	(70,947)
Effect of exchange rate change on cash and cash equivalents	313	(486)
Net increase (decrease) in cash and cash equivalents	(26,063)	(8,212)
Cash and cash equivalents at beginning of period	228,926	202,863
Cash and cash equivalents at end of period	202,863	194,650

(5) Notes to consolidated financial statements

(Notes to premise of going concern)
Not applicable.

(Significant matters forming the basis of preparing the consolidated financial statements)

1. Scope of consolidation
   (1) Number of consolidated subsidiaries: 39
   Names of major consolidated subsidiaries:
   Yamato Transport Co., Ltd.
   Yamato Global Express Co., Ltd.
   Yamato Global Logistics Japan Co., Ltd.
   Yamato Home Convenience Co., Ltd.
   Yamato Financial Co., Ltd.
   Yamato Autoworks Co., Ltd.
   YAMATO (CHINA) CO., LTD.
   YAMATO ASIA PTE. LTD.
   Okinawa Yamato Transport Co., Ltd.
   Yamato Logistics Co., Ltd.
   YAMATO TRANSPORT U. S. A., INC.
   Yamato System Development Co., Ltd.
   Yamato Lease Co., Ltd.
   YAMATO BOX CHARTER CO., LTD
   YAMATO INVESTMENT (HONG KONG) LIMITED

   Yamato Multi-Maintenance Solutions Co., Ltd. is excluded from the scope of consolidation effective from the fiscal year under review, because it ceases to exist upon absorption-type merger having been carried out with Yamato Logistics Co., Ltd., the surviving company.

   (2) Non-consolidated subsidiaries, etc.
   OTL ASIA SDN. BHD. and certain other subsidiaries are not included within the scope of consolidation. The total assets, operating revenue, profit, and retained earnings of these non-consolidated subsidiaries are immaterial and, even taken together as a group, they do not exert a significant influence on the consolidated financial statements.

2. Application of equity method
   (1) Number of affiliates accounted for using equity method: 17
   Names of major equity method affiliates:
   GD EXPRESS CARRIER BHD.
   GUANGZHOU WISEPOWER TRANSPORTATION & DISTRIBUTION GROUP CO., LTD.
   Packcity Japan Co., Ltd.

   Effective from the fiscal year under review, GDEX PROPERTIES SDN. BHD. was included in the scope of the equity method as GD EXPRESS CARRIER BHD., an affiliate accounted for using the equity method, newly acquired its shares.

   (2) Non-consolidated subsidiaries and affiliates not accounted for using equity method
   Entities not subject to the equity method such as OTL ASIA SDN. BHD. and certain other non-consolidated subsidiaries and YAMATO UNYU (THAILAND) CO., LTD. and certain other affiliated companies are excluded from the scope of entities accounted for using the equity method because they do not exert a significant influence on the consolidated financial statements even when taken together as a group, given immateriality of their profit, retained earnings and other financial results corresponding to the ownership held by the Company.

   (3) Special note on the application of equity method
   The fiscal year-end dates of certain entities accounted for using the equity method differ from the consolidated fiscal year-end date, and accordingly the financial statements have been prepared on the basis of the financial statements and provisional financial results for the respective fiscal years of each of those entities.

(Changes in presentation method)
Changes upon Application of “Partial Amendments to Accounting Standard for Tax Effect Accounting”
The Group has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) effective from the beginning of the fiscal year ended March 31, 2019.

Accordingly, as the Group changed the presentation method, deferred tax assets were presented under "Investments and other assets" and deferred tax liabilities were presented under "Non-current liabilities."
As a result, in the consolidated balance sheet for the previous fiscal year, "Deferred tax assets" under "Current assets" decreased 19,245 million yen and "Deferred tax assets" under "Investments and other assets" increased 18,682 million yen. In addition, "Deferred tax liabilities" included in "Other" under "Current liabilities" and "Deferred tax liabilities" under "Non-current liabilities" decreased 1 million yen and 561 million yen respectively.
Note that total assets decreased 563 million yen before the changes, as deferred tax assets and liabilities of the same taxable entity were offset.

(Segment information, etc.)

1. Segment information

(1) Summary of reportable segment

The reportable segments of the Yamato Group are constituent units of the Yamato Group whose separate financial information can be obtained. The Board of Directors of the Company periodically examines these segments to decide on the allocation of management resources and evaluate business performance.
The Yamato Group 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 Yamato Group has the following six reportable segments: Delivery business, BIZ-Logistics business, Home Convenience business, e-Business, Financial business, and Autoworks business.

Type of services by reportable segment

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

(2) Method of calculating operating revenue, profit/loss, assets and other items by reportable segment

The accounting method used for reported business segments complies with accounting policy that has been adopted in preparing the consolidated financial statements.

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

Fiscal year ended March 31, 2018

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Operating revenue					
Operating revenue from customers	1,201,769	145,148	44,868	27,303	82,956
Inter-segment operating revenue or transfers	69,670	14,092	13,409	38,723	2,900
Total	1,271,440	159,240	58,277	66,027	85,856
Segment profit	6,756	7,053	199	7,945	7,913
Segment assets	662,597	76,556	21,948	47,325	258,499
Others					
Depreciation	32,916	2,413	579	3,866	5,232
Investment in entities accounted for using equity method	523	5,348	—	—	—
Increases of property, plant and equipment and intangible assets	34,380	4,088	874	1,546	11,644

	Autoworks	Other (Notes 1, 2)	Total	Reconciliation (Note 3)	Amount recorded in consolidated financial statements (Note 4)
Operating revenue					
Operating revenue from customers	24,641	12,125	1,538,813	—	1,538,813
Inter-segment operating revenue or transfers	30,299	44,273	213,368	(213,368)	—
Total	54,940	56,398	1,752,181	(213,368)	1,538,813
Segment profit	4,141	17,217	51,226	(15,541)	35,685
Segment assets	28,013	13,543	1,108,484	6,385	1,114,870
Others					
Depreciation	695	373	46,078	344	46,423
Investment in entities accounted for using equity method	—	—	5,871	13,957	19,829
Increases of property, plant and equipment and intangible assets	830	803	54,168	313	54,482

Notes:
1. Other includes business-to-business distribution via JITBOX Charter 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 profit is 17,482 million yen.
3. Adjustments made are as follows.
   (1) The adjustment of negative 15,541 million yen of segment profit resulted from eliminating transactions among segments, etc.
   (2) The adjustment of 6,385 million yen of segment assets includes eliminations of intersegment receivables and payables, etc. of negative 154,869 million yen and group-wide assets of 161,255 million yen not allocated to each reportable segment.
   (3) The adjustment of 13,957 million yen of investment in entities accounted for using equity method pertains to the amount of investment in those entities accounted for using equity method which are not allocated to respective reportable segments.
   (4) The adjustment of 313 million yen of increases of property, plant and equipment and intangible assets includes the Company’s capital investment of 304 million yen.
4. We made an adjustment between segment profit and operating profit in the consolidated statement of income.

Fiscal year ended March 31, 2019

(Millions of yen)

	Delivery	BIZ-Logistics (Note 1)	Home Convenience (Note 1)	e-Business (Note 1)	Financial
Operating revenue					
Operating revenue from customers	1,297,222	147,437	33,404	26,592	79,966
Inter-segment operating revenue or transfers	64,136	12,281	12,623	41,153	2,856
Total	1,361,359	159,719	46,027	67,746	82,823
Segment profit	40,787	3,329	(7,764)	8,740	6,244
Segment assets	718,911	77,462	12,281	44,136	257,207
Others					
Depreciation	37,221	2,574	514	3,531	6,000
Investment in entities accounted for using equity method	426	4,836	—	—	—
Increases of property, plant and equipment and intangible assets	56,896	5,212	763	1,570	7,103

	Autoworks	Other (Notes 2, 3)	Total	Reconciliation (Note 4)	Amount recorded in consolidated financial statements (Note 5)
Operating revenue					
Operating revenue from customers	25,985	14,705	1,625,315	—	1,625,315
Inter-segment operating revenue or transfers	31,415	46,297	210,764	(210,764)	—
Total	57,400	61,002	1,836,079	(210,764)	1,625,315
Segment profit	4,433	19,372	75,144	(16,798)	58,345
Segment assets	29,378	22,385	1,161,762	(38,102)	1,123,659
Others					
Depreciation	644	621	51,108	238	51,346
Investment in entities accounted for using equity method	—	—	5,262	9,251	14,514
Increases of property, plant and equipment and intangible assets	512	7,647	79,706	132	79,838

Notes:
1. Effective from the fiscal year ended March 31, 2019, changes have been made to reportable segments for certain businesses as a result of organizational restructuring being carried out to reform organizational structures and innovate the management system under the "KAIKAKU 2019 for NEXT100" medium-term management plan. As the principal points of change, the Technical Network business, which was previously included in Home Convenience, the e-Logistics solution business, e-On Demand solutions business, and Setup and Logistics solutions business, which previously were included in e-Business, are now included in BIZ-Logistics. The segment information for the fiscal year ended March 31, 2018 has been prepared and presented according to the new classification.
2. Other includes business-to-business distribution via JITBOX Charter 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 profit is 18,593 million yen.
4. Adjustments made are as follows.
   (1) The adjustment of negative 16,798 million yen of segment profit resulted from eliminating transactions among segments, etc.
   (2) The adjustment of negative 38,102 million yen of segment assets includes eliminations of intersegment receivables and payables, etc. of negative 184,579 million yen and group-wide assets of 146,476 million yen not allocated to each reportable segment.
   (3) The adjustment of 9,251 million yen of investment in entities accounted for using equity method pertains to the amount of investment in those entities accounted for using equity method which are not allocated to respective reportable segments.
   (4) The adjustment of 132 million yen of increases of property, plant and equipment and intangible assets includes the Company's capital investment of 130 million yen.
5. We made an adjustment between segment profit and operating profit in the consolidated statement of income.

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

Fiscal year ended March 31, 2018

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Impairment loss	2,426	685	38	—	—

	Autoworks	Other	Total	Corporate or eliminations	Consolidated
Impairment loss	91	—	3,241	—	3,241

Fiscal year ended March 31, 2019

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Impairment loss	546	265	1,275	—	—

	Autoworks	Other	Total	Corporate or eliminations	Consolidated
Impairment loss	—	—	2,087	—	2,087

(Per share information)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net assets per share (Yen)	1,395.74	1,435.15
Basic earnings per share (Yen)	46.24	65.14

Notes: 1. Diluted earnings per share is not presented since no potential shares exist.
2. The basis for calculating “basic earnings per share” is as follows.

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit attributable to owners of parent (Millions of yen)	18,231	25,682
Amount not belonging to ordinary shareholders (Millions of yen)	—	—
Profit attributable to owners of parent concerning common shares (Millions of yen)	18,231	25,682
Average number of common shares during the period (Thousands of shares)	394,276	394,275

(Important subsequent matters)

Not applicable.

4. Others

Operating revenue by business

(Millions of yen)

Business segment		Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		Change (%)
		Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	
Delivery	TA-Q-BIN	1,099,341	71.4	1,199,084	73.8	9.1
	Kuroneko DM-Bin	82,542	5.4	73,062	4.5	(11.5)
	Express	42,456	2.8	41,615	2.6	(2.0)
	Others	102,881	6.7	100,698	6.2	(2.1)
	Eliminations	(125,453)	(8.2)	(117,237)	(7.2)	(6.5)
	Total	1,201,769	78.1	1,297,222	79.8	7.9
BIZ-Logistics	Trading logistics service	39,075	2.5	41,829	2.6	7.0
	Sales and Logistics	46,493	3.0	42,247	2.6	(9.1)
	Multi maintenance	15,586	1.0	15,959	1.0	2.4
	Products Logistics	4,797	0.3	5,179	0.3	8.0
	Technical Network*	4,428	0.3	1,547	0.1	(65.1)
	e-Logistics solution*	12,381	0.8	10,890	0.7	(12.0)
	Others*	54,049	3.5	56,758	3.5	5.0
	Eliminations	(31,663)	(2.1)	(26,973)	(1.7)	(14.8)
	Total	145,148	9.4	147,437	9.1	1.6
Home Convenience	Home convenience	41,938	2.7	30,945	1.9	(26.2)
	Business convenience	16,396	1.1	15,094	0.9	(7.9)
	Eliminations	(13,467)	(0.9)	(12,636)	(0.8)	(6.2)
	Total	44,868	2.9	33,404	2.1	(25.5)
e-Business	Credit card solution	9,733	0.6	9,373	0.6	(3.7)
	IT operating	6,971	0.5	7,470	0.5	7.2
	Web-based mail order solution	5,899	0.4	5,844	0.4	(0.9)
	Others*	47,248	3.1	50,827	3.1	7.6
	Eliminations	(42,549)	(2.8)	(46,922)	(2.9)	10.3
	Total	27,303	1.8	26,592	1.6	(2.6)
Financial	Payment	34,883	2.3	32,162	2.0	(7.8)
	Lease	40,498	2.6	40,181	2.5	(0.8)
	Credit & Finance	3,768	0.2	3,479	0.2	(7.7)
	Others	6,785	0.4	7,056	0.4	4.0
	Eliminations	(2,979)	(0.2)	(2,913)	(0.2)	(2.2)
	Total	82,956	5.4	79,966	4.9	(3.6)
Autoworks	Truck solution	48,768	3.2	50,486	3.1	3.5
	Others	8,868	0.6	9,620	0.6	8.5
	Eliminations	(32,994)	(2.1)	(34,121)	(2.1)	3.4
	Total	24,641	1.6	25,985	1.6	5.5
Other	JITBOX Charter service	10,467	0.7	12,609	0.8	20.5
	Others	48,935	3.2	51,651	3.2	5.5
	Eliminations	(47,277)	(3.1)	(49,556)	(3.0)	4.8
	Total	12,125	0.8	14,705	0.9	21.3
Total		1,538,813	100.0	1,625,315	100.0	5.6

* Effective from the fiscal year ended March 31, 2019, changes have been made to reportable segments for certain businesses as a result of organizational restructuring being carried out to reform organizational structures and innovate the management system under the "KAIKAKU 2019 for NEXT100" medium-term management plan. The principal changes are shown below. The segment information for the fiscal year ended March 31, 2018 has been restated to reflect the new classification.

- The Technical Network business that belonged to Home Convenience is included in BIZ-Logistics.
- e-Logistics solution business that belonged to e-Business is presented in BIZ-Logistics, e-On Demand solutions business and Setup and Logistics solutions business that belonged to other in e-Business is presented in other in BIZ-Logistics.