

Consolidated Financial Results for the Year Ended March 31, 2021 <under Japanese GAAP>

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 Listing: Tokyo Stock Exchange
 Stock code: 9064
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Scheduled date of the ordinary general meeting of shareholders: June 24, 2021
 Scheduled date of the commencement of dividend payment: June 3, 2021
 Scheduled date of the submission of annual securities report: June 18, 2021
 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 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results

(Percentages represent year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the year ended								
March 31, 2021	1,695,867	4.0	92,121	106.1	94,019	131.4	56,700	154.0
March 31, 2020	1,630,146	0.3	44,701	(23.4)	40,625	(25.1)	22,324	(13.1)

(Note) Comprehensive income: For the year ended March 31, 2021: 73,292 million yen (324.0%)
 For the year ended March 31, 2020: 17,285 million yen ((36.0)%)

	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, 2021	151.55	—	10.0	8.6	5.4
March 31, 2020	56.78	—	4.0	3.7	2.7

(Reference) Equity in earnings of affiliates: For the year ended March 31, 2021: (766) million yen
 For the year ended March 31, 2020: (4,168) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2021	1,089,991	584,287	52.9	1,553.45
March 31, 2020	1,100,739	562,835	50.4	1,441.20

(Reference) Equity: As of March 31, 2021: 576,367 million yen As of March 31, 2020: 555,173 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
For the year ended	Millions of yen	Millions of yen	Millions of yen	Millions of Yen
March 31, 2021	123,921	44,078	(123,247)	241,284
March 31, 2020	74,433	(49,943)	(22,368)	196,662

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 2020	—	15.00	—	26.00	41.00	15,929	72.2	2.9
Fiscal 2021	—	16.00	—	30.00	46.00	17,089	30.4	3.1
Fiscal 2022 (Forecast)	—	23.00	—	23.00	46.00		32.2	

(Note) Breakdown of year-end dividends in fiscal year ended March 31, 2020: Ordinary dividends: 16.00 yen
Commemorative dividends: 10.00 yen

3. Consolidated earnings forecasts for fiscal year 2022 (from April 1, 2021 to March 31, 2022)

(Percentages represent year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year	840,000	4.2	28,000	4.0	28,000	0.2	6,000	(57.7)	16.17
Full year	1,775,000	4.7	95,000	3.1	95,000	1.0	53,000	(6.5)	142.85

* Notes

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

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

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

(3) Number of issued shares (common shares)

- Number of issued shares as of the end of the period (including treasury shares)
As of March 31, 2021: 388,575,592 shares
As of March 31, 2020: 411,339,992 shares
- Number of treasury shares as of the end of the period
As of March 31, 2021: 17,550,515 shares
As of March 31, 2020: 26,124,409 shares
- Average number of shares during the period
For the year ended March 31, 2021: 374,149,762 shares
For the year ended March 31, 2020: 393,170,633 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 28.

*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 the Company considers to be reasonable. Actual financial results may differ significantly from the projections for various reasons. For points to note when using such assumptions and financial projections, please see "1. Overview of Operating Results and Others, (4) Future outlook" of the attached materials to the financial results report on page 10.

- The Company plans to post supplementary materials on financial results on the Company's website promptly after the announcement of the financial results.

Attached Materials

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1. Overview of Operating Results and Others

(1) Overview of operating results for the fiscal year ended March 31, 2021

In the fiscal year ended March 31, 2021, economic activities which had been stagnant due to the global spread of the novel coronavirus disease (COVID-19) began to reopen. Whereas business sentiment has been showing signs of improvement, particularly in the manufacturing industry, the outlook for economic recovery both in Japan and overseas remains unknown particularly with the pandemic resurging at home and abroad amid uncertainties as to the status of COVID-19 transmission ahead and timing as to when the pandemic might subside. Meanwhile, COVID-19 has accelerated growth in the e-commerce domain across all industries amid a scenario of changes in lifestyles and the business environment brought about by developments such as companies promoting telework arrangements and a shift to online services in the fields of medicine and education.

Under such circumstances, the Yamato Group aims to contribute consistently to the realization of a prosperous society by creating a “new logistics ecosystem” that meets the needs of customers and society. To such ends, we have promoted initiatives based on our transformation plan “YAMATO NEXT100,” which serves as a grand design for management over the medium to long term. These initiatives involve engaging in business transformations encompassing the threefold aims of giving rise to the digital transformation (DX) of TA-Q-BIN, establishing an e-commerce ecosystem, and strengthening the corporate logistics business, while combining the Group’s management resources prior to launch of the new management system in April 2021. These initiatives also involve engaging in infrastructure transformations encompassing the threefold aims of renewing Group management systems, shifting to data-driven management style, and implementing sustainability initiatives. In the fiscal year ended March 31, 2021, as the future spread of COVID-19 and when the pandemic might subside being unclear, with the safety of our customers and employees as the top priority, we strove to continually provide logistics services, including TA-Q-BIN. In so doing, we have been working to identify issues encountered by our customers due to changes in lifestyles and the business environment, and have furthermore been expanding sales for new delivery services and improving convenience in response to the accelerating shift to e-commerce across all industries. We have also been engaging in initiatives that entail providing solutions for building optimal supply chains for both stores and e-commerce. This has involved strengthening account management on a Group-wide basis and furthermore addressing new needs in the remote prescription domain of the telehealth field and in the field of education in promoting the GIGA School concept. Moreover, we have also been expanding collection and delivery capacity as well as optimizing costs. This has involved building new delivery networks underpinned by alliances with our delivery partners, while also promoting increased efficiency of collection, delivery and trunk-route transportation by shifting to data-driven management style and optimally allocating management resources enlisting demand forecasting based on data analysis.

Our consolidated financial results for the fiscal year ended March 31, 2021 were as follows.

Item	(Millions of yen)			
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Change	Growth (%)
Operating revenue	1,630,146	1,695,867	65,720	4.0
Operating profit	44,701	92,121	47,420	106.1
Ordinary profit	40,625	94,019	53,394	131.4
Profit attributable to owners of parent	22,324	56,700	34,376	154.0

As mentioned above, operating revenue amounted to 1,695,867 million yen, up 65,720 million yen from the previous fiscal year. This is largely attributable to having achieved an increase in the parcel delivery volume as a result of having taken action in the burgeoning e-commerce domain. Operating expenses amounted to 1,603,745 million yen, up 18,300 million yen from the previous fiscal year. This was mainly due to our taking steps to optimizing costs by increasing the efficiency of collection and delivery through the optimal allocation of management resources based on data analysis and by promoting increased efficiency of our trunk-route transportation and sorting work amid increasing parcel delivery volume.

As a result, operating profit for the fiscal year under review amounted to 92,121 million yen, up 47,420 million yen from the previous fiscal year.

Initiatives for the entire Yamato Group

- ① In response to the spread of COVID-19 and to ensure that customers can use TA-Q-BIN with peace of mind, we have been making sure that employees practice full hygiene management, implementing contact-free deliveries and other infection prevention measures when interacting with customers, using our website and other channels to share information, and continuing to provide logistics services, including TA-Q-BIN.
- ② We have been engaging in reform of the Group management structure geared to achieving sustainable growth, and accordingly promoting initiatives to achieve our three business transformations and three infrastructure transformations while combining the Group's management resources prior to launch of the new management system in April 2021, based on our transformation plan "YAMATO NEXT100" which has been formulated to serve as a grand design for management of the Yamato Group over the medium to long term going forward.
- ③ In order to promote "Inclusive Management" that enables personnel to focus more on our customers, we have been shifting to data-driven management style which has involved streamlining and standardizing our logistics operations through digital transformation (DX), and have been giving rise to objective and scientific decision-making largely by implementing demand and operating amount forecasts and making optimal allocations of management resources, on the basis of data analysis.
- ④ In response to social needs, we have been working toward creating a logistics service that caters specifically to the shift to e-commerce by industries and establishing an e-commerce ecosystem in order to capitalize on the high growth potential of e-commerce. During the fiscal year under review, we promoted efforts to expand sales for our new "EAZY" delivery service that improves convenience, safety, and efficiency with respect to purchase, delivery, and pick-up by connecting e-commerce users, e-commerce companies, and delivery service providers across the board in real-time using digital information, through our partnerships with major e-commerce companies. In addition, to further improve convenience for pick-up, we worked to add a new function that utilizes a digital key to provide a service to drop off packages in front of residences, etc. for customers who live in condominiums and apartment buildings with auto-lock entrances. To optimize logistics for e-commerce vendors with stores in online shopping malls, we implemented 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, based on alliances with partners with digital technology, we are promoting efforts to expand sales of services that make it possible to pick up products purchased through e-commerce from supermarkets, drugstores and other such establishments that serve as customer lifelines. We are also embarking on initiatives for sales support to producers enlisting Live Commerce functions in alliance with live streaming service providers, with the aim of building a new "Innovating Delivery" business model.
- ⑤ In order to strengthen corporate logistics business, we have been combining the Group's management resources for corporate business such as specialist human resources at each Group company, logistics and distribution functions, and the trunk-route transportation network connecting our distribution centers. We have also been promoting initiatives for addressing customers' business challenges and building a database to provide solutions based on highly accurate, real-time information. Furthermore, we will continue to strengthen the management of our international businesses. During the fiscal year under review, we have also been engaging in initiatives that entail providing solutions for building optimal supply chains for both stores and e-commerce. This has involved working to identify issues encountered by our customers due to changes in lifestyles and the business environment and furthermore addressing new needs in the remote prescription domain of the telehealth field and in the field of education in promoting the GIGA School concept. In addition, we started consolidated transport of reagents for gene testing in the ultra-low temperature range to resolve logistics issues in anticipation of further progress in personalized healthcare and, to fulfill our role as part of the social infrastructure by contributing to the establishment of a vaccination system, we are engaged in the logistics for the COVID-19 vaccine.
- ⑥ In order to strike a balance between sustainable growth and the development of a sustainable society, we have been promoting sustainability initiatives, and have furthermore been taking steps to address material issues that have been identified with the aim of increasing the efficiency of transportation and providing delivery that is better for the planet, our lifestyles, and the economy, by attentively connecting people with resources and data. This effort has been underpinned by our dual visions in terms of paving the way to a sustainable future, one of which is "Connect. Deliver the Future via Green Logistics." and the other of which is, "Through Co-Creation and Fair Business Activities, Help Create a Society That 'Leaves No One Behind.'"

- ⑦ We have transformed to a fully optimized organization structured according to customer segments and promoted efforts to revamp the Group's management structure to further accelerate management in order to further enhance a management structure that enables us to confront customer and social needs. Furthermore, in April 2021, we launched a new Group management structure. The Group management structure consists of business units under the Company, which serves as a pure holding company, upon the integration of the consolidated subsidiary Yamato Transport Co., Ltd. and seven other Group companies. The Group Management structure consists of: Retail Business Unit consisting of Retail Business Division; Corporate Business Unit consisting of Corporate Business Division, Global SCM Business Division, and EC Business Division; Functional Divisions; and Corporate function. In conjunction with this revamping of the Group's management structure, we plan to change the previous six operating segments to segments according to the two businesses of "Retail Business Unit" and "Corporate Business Unit."
- ⑧ We have drawn up the Yamato Group's medium-term management plan, "One Yamato 2023," with the fiscal year ending March 31, 2024 set as its final fiscal year. Grounded on progress and results achieved with respect to initiatives implemented based on our transformation plan "YAMATO NEXT100," the "One Yamato 2023" plan takes into account the accelerating industry-wide shift to e-commerce prompted by rapidly changing lifestyles and distribution structure. Under the plan, the Group will aim to provide value to our individual and corporate clients, as well as society as a whole. To such ends, we will facilitate transformation across the entire supply chain extending from suppliers and manufacturers to consumers, fully leveraging our business resources concentrated under our concept of serving as a truly "One Yamato."

Summary of each operating segment

● Delivery

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

(Million parcels / units)				
Category	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Change	Growth (%)
TA-Q-BIN	1,799	2,096	297	16.5
Kuroneko DM-Bin	987	826	(161)	(16.3)

- ① 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.
- ② During the fiscal year under review, as the future spread of COVID-19 and when the pandemic might subside being unclear, with the safety of our customers and employees as the top priority, we pursued stable operations of our TA-Q-BIN network. In addition, we have been engaging in streamlining collection and delivery, labor operations and administrative tasks by promoting digitization of our overall logistics operations, and in advancing structural reform of trunk-route transportation for the purpose of optimizing the entire network for streamlining transportation.
- ③ With respect to the burgeoning e-commerce domain, we promoted efforts to expand sales for our new "EAZY" delivery service that improves convenience, safety, and efficiency with respect to purchase, delivery, and pick-up by connecting e-commerce users, e-commerce companies, and delivery service providers across the board in real-time using digital information, through our partnerships with major e-commerce companies. In addition, to further improve convenience for pick-up, we worked to add a new function that utilizes a digital key to provide a service to drop off packages in front of residences, etc. for customers who live in condominiums and apartment buildings with auto-lock entrances. Moreover, based on alliances with partners with digital technology, we promoted efforts to expand sales for services that make it possible to pick up products purchased through e-commerce from supermarkets, drugstores and other such establishments that serve as customer lifelines. We are also embarking on initiatives to facilitate sales to consumers enlisting Live Commerce functions in alliance with live streaming service providers, with the aim of building a new "Innovating Delivery" business model.
- ④ As for individual customers, we worked to improve convenience by providing services enabling customers to complete TA-Q-BIN sending procedures using their smartphones, and providing them with access to features such as online payment settlement and anonymous delivery. Also, to further increase convenience through support for cashless payments with regard to payment of TA-Q-BIN fees and other

transactions, we have created an environment to introduce six new types of QR code payment settlement, in addition to the current methods using cash, e-money, and online payment settlement. Meanwhile with respect to corporate clients, we have been promoting initiatives for addressing their business challenges. Such efforts have involved striving to identify issues encountered by our customers due to changes in the business environment and strengthening account management in coordinated efforts of the Group. A specific example of such initiatives is our provision of solutions tailored to pharmacies engaged in the remote prescription domain.

- ⑤ We have been taking steps to improve services for residents geared toward resolving issues facing communities. In part, this has involved collaborating with municipalities and companies in efforts that entail helping those who have difficulties doing their shopping and helping to watch over elderly residents. In particular, we have been addressing issues that have emerged for elderly residents, such as the increase in the number of elderly people living alone and a weakening of community bonds in local communities, labor shortages and aging of staff at local comprehensive support centers, community members and others who watch over elderly people, and the spread of COVID-19 which has made it difficult for those who live far away to easily visit their family members. To such ends, we conducted a nationwide expansion of the areas where we provide our monitoring services, which utilize IoT light bulbs that can be connected to the outside world via the internet and Yamato Transport's management resources. Moreover, we have also been helping to revitalize local industry particularly through initiatives that involve helping to expand sales channels for locally produced products.
- ⑥ Operating revenue amounted to 1,418,993 million yen, up 8.3% from the previous fiscal year owing to a higher parcel delivery volume as a result of having taken action in the burgeoning e-commerce domain. Operating profit amounted to 77,195 million yen, an increase of 49,945 million yen from the previous fiscal year from increasing the efficiency of collection and delivery through the optimal allocation of management resources based on data analysis and promoting increased efficiency of our trunk-route transportation and sorting work amid increasing parcel delivery volume.

● BIZ-Logistics

- ① 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.
- ② We have promoted a Group-wide approach to account management with the aim of providing total logistics solutions that facilitate supply chain transformation, thereby addressing challenges encountered by our customers due to changes in the business environment, amid the accelerating industry-wide shift to e-commerce. During the fiscal year under review, we worked to optimize the construction of supply chains to contribute to business improvements, such as optimization of stock for both stores and e-commerce, speedy delivery and reductions in transportation costs by seamlessly linking our nationwide network of business locations and transportation network, which are strengths of the Yamato Group, and making digital information visible, for the sake of business operators working to enhance their operations in the e-commerce domain while developing retail stores. In addition, 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. In addition, we started consolidated transport of reagents for gene testing in the ultra-low temperature range of minus 70 degrees Celsius or below to resolve logistics issues in anticipation of further progress in personalized healthcare and, to fulfill our role as part of the social infrastructure by contributing to the establishment of a vaccination system, we are engaged in the logistics for the COVID-19 vaccine.
- ③ Operating revenue amounted to 146,609 million yen, up 1.9% from the previous fiscal year mainly resulting from expanding sales generated by trading logistics services, which provided emergency transport of medical and sanitary products and also tapped increasing demand for cross-border e-commerce, despite decreases in our handling of overseas lifestyle support services and fine art transport due to restrictions placed on movement and cancellations of art exhibitions associated with the spread of COVID-19. Operating profit was 5,108 million yen, up 2.7% from the previous fiscal year.

● Home Convenience

- ① In the Home Convenience Business, we are working toward enabling customers to achieve greater convenience and comfort in their lives through daily lifestyle support businesses that draw on the Yamato Group's nationwide network. During the fiscal year under review, we promoted efforts to expand the service territory and to increase sales of our "My Moving" moving-related services for one-person households.
- ② Operating revenue amounted to 26,847 million yen, down 3.4% from the previous fiscal year mainly due to a decrease in moving demand as a result of the spread of COVID-19, as well as a decrease in our handling of some customer business as a result of carrying out adequate pricing initiatives with respect to the "Raku Raku Household TA-Q-BIN" service. As for profits, the segment posted an operating loss of 5,699 million yen.

● e-Business

- ① 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 to the conventional information technologies, we are promoting use of emerging technologies that harness artificial intelligence (AI), the Internet of things (IoT) and other such innovations to accelerate growth of the Yamato Group businesses.
- ② As a service for helping our customer streamline their operations and ensuring greater convenience of end-users, we offer the "Multi-value Charge Service" which facilitates cashless payments involving e-money and other payment options of a user's choice, such that are made to individuals from business enterprises involved in second-hand item purchasing and e-commerce returned merchandise. During the fiscal year under review, for business operators wishing to introduce this service, we promoted efforts to expand sales and added features that enable swift and inexpensive service access without the need to develop such systems in advance.
- ③ Operating revenue amounted to 28,417 million yen, down 7.1% from the previous fiscal year mainly as a result of system support for addressing the lower rate of taxation recoiling from the previous fiscal year, and despite increased use of the "Web-based Shipment Control Service" for assisting with order-acceptance and dispatching operations as a result of having taken action in the burgeoning e-commerce domain. Operating profit amounted to 11,669 million yen, up 9.4% from the previous fiscal year mainly due to firm results with respect to use of our highly profitable existing services.

● Financial

- ① 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 and business-to-business transaction settlement.
- ② 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 worked to expand sales of our "Raku-uru Cart" service, which helps business operators newly enter the e-commerce market by providing one-stop support in terms of shopping cart function, payment settlement, and delivery services, thereby addressing challenges encountered by our customers due to changes in the business environment.
- ③ Operating revenue amounted to 39,671 million yen, down 48.5% from the previous fiscal year mainly due to scope of consolidation changes associated with a partial transfer of Yamato Lease Co., Ltd., which engages in the lease service business, and despite an increase in use of our "TA-Q-BIN Collect," "Kuroneko Web Collect," and "Kuroneko Pay After Delivery Services," as a result of having taken action in the burgeoning e-commerce domain. Operating profit was 6,276 million yen, down 0.7% from the previous fiscal year.

- **Autoworks**

- ① In the Autoworks Business, we offer vehicle maintenance services that enable servicing without the need to stop business operations, thereby facilitating operational safety and extended vehicle uptime of medium-sized transportation companies that have multiple locations. 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 and employees.
- ② During the fiscal year under review, we have newly established four locations hosting a “Superworks” maintenance plant for achieving operational efficiency. We also further strengthened our network and carried out initiatives to increase sales of our maintenance services through close communication with customers.
- ③ Operating revenue amounted to 21,833 million yen, down 12.4% from the previous fiscal year mainly as a result of a decrease in fuel sales volume. Operating profit was 3,600 million yen, down 16.2% from the previous fiscal year.

- **Other**

- ① 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, we continued to work to expand sales of our services with the future spread of COVID-19 and when the pandemic might subside being unclear.
- ② Operating profit excluding dividends which Yamato Holdings Co., Ltd. received from the Group companies decreased 21% from the previous fiscal year to 1,495 million yen.

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 fiscal year plans, all centered on respective Group companies whose main operations involve transport. During the fiscal year under review, the entire Yamato Group carried out the “Zero Traffic Accidents Campaign” in order to improve safety awareness on a Group-wide basis and promoted other initiatives, such as presenting awards in respective geographic regions to drivers who have consistently excelled in terms of driving safely with no accidents. Due to COVID-19, we refrained from holding our “Safety Classes for Children,” which we have been continually offering to children in day care facilities, kindergartens and elementary schools across Japan since 1998 with the aim of convey the importance of traffic safety.
- ② Based on its corporate philosophy, the Yamato Group carries out business activities in accordance with the law and social norms and actively promotes compliance management. Striving to maximize corporate value by effectively utilizing the management resources of the Group is one of the top priorities of management, and we have implemented measures and bolstered management systems as part of our corporate governance initiative. Moreover, we engaged in efforts to furthermore strengthen our Group governance with the aim of enhancing sound Group management. During the fiscal year under review, we engaged in efforts that included strengthening the merchandise inspection systems of the overall Yamato Group and upgrading the whistle-blower system.
- ③ The Yamato Group recognizes that its approximately 220,000 employees are the Group’s greatest asset, and accordingly acts to create an employee-friendly and rewarding working environment where employees can take a vibrant approach to work, in order to heighten employee satisfaction and to serve as a company where a diverse range of talent chooses to work. During the fiscal year under review, we engaged in efforts that include building appealing personnel systems, adopting a performance evaluation scheme that encourages independent and autonomous behavior, and re-establishing an educational system. We also introduced newly designed uniforms focused on “employee-friendly” and “environmentally friendly” while using plant-based materials that contribute to reducing carbon dioxide, realizing further increases in functionality, safety, and comfort.
- ④ The Yamato Group recognizes that climate change is a crucial issue with respect to making the notion of a sustainable society a reality, and accordingly identifies and evaluates risks and opportunities associated with climate change. Moreover, we have been taking action to achieve the vision of virtually zero carbon dioxide emissions (in-house emissions), established as a long-term goal, through efforts that involve shifting to use of vehicles that produce lower carbon dioxide emissions, developing and introducing next-generation mobility including electric vehicles, and handling collection and delivery in a manner that does not involve use of automobiles. Moreover, we have been engaging in other initiatives that involve reducing carbon dioxide emissions by heightening the efficiency of our trunk-route transportation to major cities and extending operations served by our “Super-Full Trailer SF25,” which helps reduce long-haul driver workloads. During the fiscal year under review, we engaged in field testing involving next-generation collection and delivery mobility using modes of transport that do not emit carbon dioxide during operation, given our aims of creating diverse employment opportunities and further increasing the efficiency of collection and delivery. Moreover, we started to use small mobile refrigeration units, which we have been developing in partnership with manufacturers. These refrigeration units contribute to better fuel efficiency and lower carbon dioxide emissions when driving, and will facilitate our EV shift with respect to our delivery vehicles going forward. Due to COVID-19, we refrained from holding our “Kuroneko Yamato Environmental Class” sessions, which we have been continually offering nationwide since 2005, with the aim of providing support for environmental education of children who will bear responsibilities of the next generation.
- ⑤ 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).” During the fiscal year under review, we promoted our “combined passenger-cargo” operations using scheduled-route passenger buses and railways, 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 addition, for residents in suburban areas 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. Also, we have been addressing issues that have emerged for elderly residents, such as the increase in the number of elderly people living alone and a weakening of community bonds in local communities, labor shortages and aging of staff at local comprehensive support centers, community members and others who watch over elderly people, and the spread of COVID-19 which has made it difficult for those who live far away to easily visit their family members. To such ends, we conducted a nationwide expansion of the areas where we provide our monitoring services, which utilize IoT light bulbs that can be connected to the outside world via the internet and Yamato Transport's management resources.

- ⑥ 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 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.
- ⑦ The Yamato Group has been promoting sustainability initiatives with the aim of striking a balance between sustainable growth and the development of a sustainable society, based on its transformation plan "YAMATO NEXT100," which serves as a grand design for management over the medium to long term. In addition, we have formulated the Sustainable Medium-Term Environmental Plan 2023 and Medium-Term Social Plan 2023 and have furthermore set specific actions to be taken on each materiality and targets to be achieved by March 31, 2024. We accordingly aim to achieve our two visions stated as "Connect. Deliver the Future via Green Logistics" and "Through Co-Creation and Fair Business Activities, Help Create a Society That Leaves No One Behind," set forth for the creation of a sustainable future. Under this medium-term plan, the Yamato Group will work toward strengthening sustainable management with the aim of evolving into a company that supports society's development in a manner that meets current and future needs of our customers and communities.

(2) Overview of financial position for the fiscal year ended March 31, 2021

Total assets were 1,089,991 million yen as of March 31, 2021, down 10,748 million yen from the end of the previous fiscal year. The decrease was largely attributable to decreases in investments in leases and assets for rent of 53,886 million yen and 11,060 million yen, respectively, associated with having excluded Yamato Lease Co., Ltd. from the scope of consolidation, despite a 44,296 million yen increase in cash and deposits.

Liabilities decreased 32,200 million yen to 505,704 million yen from the end of the previous fiscal year. The decrease was largely attributable to a 55,500 million yen decrease in borrowings, despite an increase in income taxes payable of 11,721 million yen due to growth in earnings particularly in the Delivery Business.

Total net assets were 584,287 million yen, up 21,452 million yen from the end of the previous fiscal year. The major factors included an increase in retained earnings of 56,700 million yen as a result of the amount recorded for profit attributable to owners of parent, and a decrease in treasury shares of 15,221 million yen due to purchase and cancellation of treasury shares, despite a decrease in retained earnings of 50,915 million yen.

Accordingly, the equity ratio changed to 52.9% from 50.4% of the previous fiscal year.

(3) Overview of cash flows for the fiscal year ended March 31, 2021

Net cash provided by operating activities amounted to 123,921 million yen, which is an increase of 49,487 million yen compared with the previous fiscal year. This is largely attributable to a 47,178 million yen increase due to the recording of profit before income taxes of 91,759 million yen, and a 21,793 million yen increase in trade payables, despite a 29,444 million yen decrease in trade receivables.

Net cash provided by investing activities amounted to 44,078 million yen, which is an increase of 94,022 million yen compared with the previous fiscal year. This is largely attributable to a 96,183 million yen increase in collection of loans receivable.

Net cash used in financing activities was 123,247 million yen. Compared with the previous fiscal year, the amount of net cash used increased by 100,878 million yen. This is largely attributable to a decrease in proceeds from borrowings of 64,700 million yen and an increase in purchase of treasury shares of 20,016 million yen.

As a result of the above, cash and cash equivalents were 241,284 million yen as of March 31, 2021, up 44,622 million yen from the end of the previous fiscal year.

(4) Future outlook

Economic activities which had been stagnant due to the global spread of COVID-19 began to reopen. Whereas business sentiment has been showing signs of improvement, particularly in the manufacturing industry, the outlook for economic recovery both in Japan and overseas remains unknown particularly with the pandemic resurging at home and abroad amid uncertainties as to the status of COVID-19 transmission ahead and timing as to when the pandemic might subside. Meanwhile, COVID-19 has accelerated growth in the e-commerce domain across all industries amid a scenario of changes in lifestyles and the business environment brought about by developments such as companies promoting telework arrangements and a shift to online services in the fields of medicine and education.

Under such circumstances, the Yamato Group has drawn up the Group's medium-term management plan, "One Yamato 2023," with the fiscal year ending March 31, 2024 set as its final fiscal year. Grounded on progress and results achieved with respect to initiatives implemented based on our transformation plan "YAMATO NEXT100, the "One Yamato 2023" plan takes into account the accelerating industry-wide shift to e-commerce prompted by rapidly changing lifestyles and distribution structure. Under the plan, the Group will aim to provide value to our individual and corporate clients, as well as society as a whole. To such ends, we will facilitate transformation across the entire supply chain extending from suppliers and manufacturers to consumers, fully leveraging our business resources concentrated under our concept of serving as a truly "One Yamato."

During the fiscal year ending March 31, 2022, we will continue to address growing e-commerce demand by accelerating development of our e-commerce delivery networks, improving pick-up convenience, and providing

solutions tailored to e-commerce companies and sellers. We will also increase operating revenue by organically combining TA-Q-BIN, e-commerce delivery, and middle-mile networks with our network of business locations, streamlining not only distribution but also backyard operations related to stores and e-commerce operations, and focusing on providing value across the entire supply chain through efforts that involve reducing sales opportunity loss and optimizing inventories.

As for expenditures, we will continue to focus on optimizing costs, which will involve enlisting data analysis with respect to making optimal allocations of management resources and further streamlining trunk-route transportation. In so doing, we will take into account critical challenges with respect to achieving greater productivity while addressing increasing demand particularly in e-commerce given the shrinking labor population and other such changes in the business environment.

We expect operating revenue will be 1,775.0 billion yen, with operating profit at 95.0 billion yen, ordinary profit at 95.0 billion yen and profit attributable to owners of parent at 53.0 billion yen.

(5) Operational and financial issues to be addressed

The Yamato Group is operating in a business environment that is undergoing substantial transformation particularly in terms of diversifying customer needs, declining regional populations, a shrinking labor population, and climate change. Meanwhile, COVID-19 has furthermore accelerated growth in the e-commerce domain across all industries as companies address changes in consumer behavior and lifestyles caused by the pandemic. Amid that business environment, the Yamato Group has been seeking to sustainably increase its corporate value by helping to enrich our society as stated under its Management Philosophy. To that end, on April 1, 2021, we began shifting to a Group management structure centered on the “New Yamato Transport,” which combines management resources of our respective Group companies, while furthermore embarking on our medium-term management plan, “One Yamato 2023,” with the fiscal year ending March 31, 2024 set as its final fiscal year. We will furthermore accelerate implementation of the following initiatives based on the “One Yamato 2023” plan, which aims to provide comprehensive value by meeting the needs of individuals, corporations, local customers, and society to transform the supply chain in response to changing lifestyles.

① Increasing productivity across the entire Yamato Group

The notion of achieving higher productivity poses critical challenges given the shrinking labor population and other such changes in the business environment. Under “One Yamato 2023,” engaging in management based on data analysis serves as a priority measure. We will optimally allocate the Group’s management resources in a manner that addresses needs of our changing and increasingly diverse clients, both individual and corporate, by improving the accuracy of our demand and operating amount forecasts in respective geographic regions. We will furthermore increase productivity across our entire logistics network. This will involve adequate reallocation to the network of our nationwide holdings of commercial warehouses, sorting terminals, TA-Q-BIN Centers, and other business locations. It will also involve consolidating our trunk-route transportation thus far handled by disparate Group companies, reducing transportation between facilities, and adequately allocating personnel and vehicles to respective sites. We will also optimize and standardize our delivery process by transforming work operations, and shifting to automation and digitization, thereby increasing the amount of time frontline personnel interact with our customers, expanding our collection and delivery capabilities, and enabling us to make improvements in safety and quality.

Moreover, we will reduce the administrative and indirect operations workload of our frontline personnel by promoting business process re-engineering (BPR), which will involve standardizing and digitizing such tasks.

② Increasing operating revenue through growth in the corporate client domain

Our corporate clients are encountering increasingly diverse challenges when it comes to transforming their supply chains to address changes in consumer behavior and lifestyles caused by the spread of COVID-19. We regard such changes as an opportunity for business growth, and have accordingly set targets under our “One Yamato 2023” plan with respect to providing value across the entire supply chain, beyond the business-to-consumer (B2C) domain. Given that this involves seeking solutions to managerial challenges encountered by our clients across their entire supply chains, we are accordingly focusing on such services as a new field of growth rather than an extension of our existing fields of business.

In order to achieve these targets, we have consolidated the Group’s previously dispersed sales functions and management resources into Yamato Transport, and are now resolving customer challenges backed by an optimal framework that makes it possible for us to interact closely with them. In addition, our Corporate

Solutions Control Center, which consolidates sales information, will accordingly spearhead efforts to facilitate frontline sales initiatives by creating optimal proposals for all of our corporate clients. We will furthermore seamlessly digitize and visually monitor operations, organically combining each business location with regional networks capable of handling frequent small- and medium-lot collection and delivery, in addition to our TA-Q-BIN and EAZY services. This will make it possible to streamline not only distribution but also backyard operations related to stores and e-commerce operations, while providing value across the entire supply chain through efforts that involve reducing sales opportunity loss and optimizing inventories.

We will strive to create optimal e-commerce ecosystem solutions that enable e-commerce companies to expand in step with sellers, e-commerce users, and delivery service providers. To such ends, we will expand EAZY CREW as a partner and will also improve the functions of EAZY, which is based on real-time communications with customers. We will also enhance our solutions for procurement, inventory movement, and other upstream domains for major and minor e-commerce companies, as well as for manufacturers and retailers aiming to strengthen their e-commerce domains going forward.

③ Promoting strategies for achieving sustainable enhancement of corporate value

With the aim of sustainably enhancing our corporate value, we engage in initiatives under our “One Yamato 2023” plan that involve promoting data and innovation strategies, reforming management structure and reinforcing governance, engaging in HR strategy which supports “Innovating Delivery Business,” improving capital efficiency, and strengthening sustainable management.

Our data strategy involves upgrading core systems, as well as maintaining digital data and enhancing digital platforms to achieve more sophisticated use of data. Meanwhile, our innovation strategy involves promoting open innovation, which entails pinpointing and collaborating with startups as well as investing in such startups with the aim of creating new businesses, particularly using the “KURONEKO Innovation Fund.”

We will also strengthen governance based on the new Group management structure through ongoing efforts to strengthen corporate governance. This will entail separating management supervision and execution, maintaining and enhancing management transparency, as well as establishing governance with an emphasis on decision-making speed with Yamato Transport serving as the core company mobilizing our management resources.

When it comes to our HR strategy, which supports “Innovating Delivery Business,” we will establish a personnel system that makes it possible to clarify and assess the roles and responsibilities of each and every employee, thereby ensuring that they are able to achieve outstanding performance. Other initiatives in this regard will involve establishing a training organization with the aims of enhancing our organizational strengths and training specialist human resources. We will also rapidly promote development of digitally literate employees by enhancing our digital education programs and increasing digital literacy of all employees including management. Moreover, we will create work environment that enables our approximately 220,000 employees, the Yamato Group’s greatest asset, to work with more peace of mind. We accordingly aim to maintain a rewarding work environment that causes employees to take a vibrant approach to work and where human rights and diversity are respected.

When it comes to improving capital efficiency, we will place more emphasis on capital efficiency in managing our operations by taking a two-pronged approach with financial strategy in terms of pursuing both business growth and cost structure reform. We will accordingly achieve greater shareholder value through timely and appropriate capital policy underpinned by stable dividends mindful of the ratio of dividends on equity (DOE), with due consideration placed on growth (operating revenue), profitability (operating profit margin), financial soundness (cash generation, balance of cash and deposits, equity ratio levels), progress of investments, capital efficiency and other such factors. When it comes to strengthening sustainable management, we will take steps to achieve our environmental and social visions as set forth in the “YAMATO NEXT100” plan, which serves as a grand design for management over the medium to long term. We accordingly aim to help bring about sustainable development of society and business by engaging in business activities in a manner that encompasses our plans for targets to be achieved by March 31, 2024, and specific actions to be taken in response to material issues.

2. Fundamental Approach to Selection of Accounting Standards

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

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	197,226	241,523
Notes and accounts receivable - trade	213,980	212,766
Accounts receivable - installment	46,088	45,643
Lease receivables and investments in leases	53,886	—
Merchandise and finished goods	552	392
Work in process	165	117
Raw materials and supplies	3,497	1,770
Other	28,925	27,508
Allowance for doubtful accounts	(1,439)	(1,341)
Total current assets	542,884	528,379
Non-current assets		
Property, plant and equipment		
Buildings and structures	362,314	367,718
Accumulated depreciation	(208,753)	(214,421)
Buildings and structures, net	153,561	153,296
Machinery and equipment	73,397	73,923
Accumulated depreciation	(51,562)	(54,255)
Machinery and equipment, net	21,835	19,668
Vehicles	214,177	199,976
Accumulated depreciation	(193,345)	(185,268)
Vehicles, net	20,831	14,708
Land	175,158	174,140
Leased assets	31,260	36,645
Accumulated depreciation	(8,501)	(10,467)
Leased assets, net	22,759	26,178
Construction in progress	6,417	6,345
Other	81,477	56,765
Accumulated depreciation	(58,206)	(44,791)
Other, net	23,270	11,974
Total property, plant and equipment	423,835	406,312
Intangible assets		
Software	18,182	22,082
Other	2,782	7,472
Total intangible assets	20,965	29,555

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Investments and other assets		
Investment securities	40,310	52,231
Long-term loans receivable	5,723	6,719
Leasehold deposits	18,670	20,121
Retirement benefit asset	123	156
Deferred tax assets	45,611	45,625
Other	4,176	2,269
Allowance for doubtful accounts	(1,562)	(1,379)
Total investments and other assets	113,054	125,744
Total non-current assets	557,855	561,612
Total assets	1,100,739	1,089,991
Liabilities		
Current liabilities		
Notes and accounts payable - trade	147,081	153,860
Short-term borrowings	75,500	34,000
Current portion of bonds payable	10,000	—
Lease obligations	3,578	5,054
Income taxes payable	20,377	32,099
Deferred installment income	5,028	4,781
Provision for bonuses	35,866	40,173
Other	111,379	119,401
Total current liabilities	408,811	389,369
Non-current liabilities		
Long-term borrowings	14,000	—
Lease obligations	21,760	26,098
Deferred tax liabilities	2,064	5,194
Retirement benefit liability	79,230	71,834
Other	12,037	13,207
Total non-current liabilities	129,093	116,334
Total liabilities	537,904	505,704

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Net assets		
Shareholders' equity		
Share capital	127,234	127,234
Capital surplus	36,813	36,813
Retained earnings	441,746	431,571
Treasury shares	(54,770)	(39,549)
Total shareholders' equity	551,024	556,070
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,157	15,883
Foreign currency translation adjustment	(317)	(1,316)
Remeasurements of defined benefit plans	(3,692)	5,730
Total accumulated other comprehensive income	4,148	20,297
Non-controlling interests	7,662	7,919
Total net assets	562,835	584,287
Total liabilities and net assets	1,100,739	1,089,991

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Operating revenue	1,630,146	1,695,867
Operating costs	1,526,102	1,538,524
Operating gross profit	104,043	157,342
Selling, general and administrative expenses		
Personnel expenses	28,553	29,123
Provision for bonuses	1,125	1,256
Retirement benefit expenses	1,160	1,197
Commission expenses	9,348	13,314
Taxes and dues	9,511	10,317
Provision of allowance for doubtful accounts	1,152	715
Depreciation	1,677	3,015
Other	9,099	8,733
Total selling, general and administrative expenses	59,342	65,220
Operating profit	44,701	92,121
Non-operating income		
Interest income	173	222
Dividend income	921	932
Gain on sales of vehicles	191	238
Electric vehicle subsidies	–	656
Other	1,089	1,766
Total non-operating income	2,377	3,816
Non-operating expenses		
Interest expenses	422	741
Share of loss of entities accounted for using equity method	4,168	766
Foreign exchange losses	648	–
Other	1,213	409
Total non-operating expenses	6,452	1,917
Ordinary profit	40,625	94,019
Extraordinary income		
Gain on sales of non-current assets	7,954	712
Gain on sales of investment securities	1,299	38
Penalty income	–	124
Other	8	100
Total extraordinary income	9,262	975
Extraordinary losses		
Loss on retirement of non-current assets	424	409
Impairment loss	990	876
Loss on valuation of investment securities	2,347	372
Loss on liquidation of business	1,206	–
Provision of allowance for doubtful accounts	–	363
Loss associated with measures to address COVID-19	–	1,163
Other	338	50
Total extraordinary losses	5,306	3,235

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit before income taxes	44,581	91,759
Income taxes-current	23,025	38,251
Income taxes-deferred	(1,346)	(3,426)
Total income taxes	21,678	34,825
Profit	22,902	56,934
Profit attributable to non-controlling interests	578	233
Profit attributable to owners of parent	22,324	56,700

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	22,902	56,934
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,927)	7,926
Foreign currency translation adjustment	198	(994)
Remeasurements of defined benefit plans, net of tax	(613)	9,421
Share of other comprehensive income of entities accounted for using equity method	(273)	3
Total other comprehensive income	(5,616)	16,357
Comprehensive income	17,285	73,292
(Breakdown)		
Comprehensive income attributable to owners of parent	17,091	72,849
Comprehensive income attributable to non-controlling interests	194	442

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	127,234	36,813	431,497	(39,085)	556,459
Cumulative effects of changes in accounting policies			(640)		(640)
Restated balance	127,234	36,813	430,856	(39,085)	555,819
Changes during period					
Dividends of surplus			(11,433)		(11,433)
Profit attributable to owners of parent			22,324		22,324
Purchase of treasury shares				(15,685)	(15,685)
Disposal of treasury shares		(0)	(0)	0	0
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	10,890	(15,684)	(4,794)
Balance at end of period	127,234	36,813	441,746	(54,770)	551,024

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	12,975	(515)	(3,078)	9,381	7,547	573,388
Cumulative effects of changes in accounting policies						(640)
Restated balance	12,975	(515)	(3,078)	9,381	7,547	572,748
Changes during period						
Dividends of surplus						(11,433)
Profit attributable to owners of parent						22,324
Purchase of treasury shares						(15,685)
Disposal of treasury shares						0
Net changes in items other than shareholders' equity	(4,817)	197	(613)	(5,232)	114	(5,118)
Total changes during period	(4,817)	197	(613)	(5,232)	114	(9,913)
Balance at end of period	8,157	(317)	(3,692)	4,148	7,662	562,835

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	127,234	36,813	441,746	(54,770)	551,024
Changes during period					
Dividends of surplus			(15,959)		(15,959)
Profit attributable to owners of parent			56,700		56,700
Purchase of treasury shares				(35,694)	(35,694)
Cancellation of treasury shares			(50,915)	50,915	-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(10,175)	15,221	5,046
Balance at end of period	127,234	36,813	431,571	(39,549)	556,070

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	8,157	(317)	(3,692)	4,148	7,662	562,835
Changes during period						
Dividends of surplus						(15,959)
Profit attributable to owners of parent						56,700
Purchase of treasury shares						(35,694)
Cancellation of treasury shares						-
Net changes in items other than shareholders' equity	7,726	(999)	9,422	16,148	257	16,405
Total changes during period	7,726	(999)	9,422	16,148	257	21,452
Balance at end of period	15,883	(1,316)	5,730	20,297	7,919	584,287

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	44,581	91,759
Depreciation	55,104	48,897
Impairment loss	990	876
Increase (decrease) in retirement benefit liability	1,863	1,941
Increase (decrease) in provision for bonuses	26	4,375
Interest and dividend income	(1,095)	(1,154)
Interest expenses	440	745
Share of loss (profit) of entities accounted for using equity method	4,168	766
Loss (gain) on sales of non-current assets	(7,953)	(663)
Loss on retirement of non-current assets	424	409
Loss (gain) on sales of investment securities	(1,299)	(38)
Loss (gain) on valuation of investment securities	2,347	372
Decrease (increase) in trade receivables	4,478	(24,966)
Decrease (increase) in inventories	(702)	1,516
Increase (decrease) in trade payables	(11,767)	10,026
Other, net	12,214	13,900
Subtotal	103,823	148,767
Interest and dividends received	1,087	1,285
Interest paid	(443)	(741)
Income taxes paid	(30,034)	(25,389)
Net cash provided by (used in) operating activities	74,433	123,921
Cash flows from investing activities		
Payments into time deposits	(1,273)	(397)
Proceeds from withdrawal of time deposits	1,985	730
Purchase of property, plant and equipment	(54,852)	(32,074)
Proceeds from sales of property, plant and equipment	13,160	2,083
Purchase of investment securities	(584)	(793)
Proceeds from sales of investment securities	1,977	99
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	-	(484)
Loan advances	(3,237)	(4,783)
Collection of loans receivable	1,635	97,819
Other payments	(9,644)	(19,228)
Other proceeds	889	1,105
Net cash provided by (used in) investing activities	(49,943)	44,078

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	50,000	(50,000)
Repayments of lease obligations	(4,366)	(5,903)
Repayments of long-term borrowings	(40,800)	(5,500)
Redemption of bonds	–	(10,000)
Purchase of treasury shares	(15,691)	(35,707)
Dividends paid	(11,431)	(15,950)
Dividends paid to non-controlling interests	(79)	(188)
Other, net	0	2
Net cash provided by (used in) financing activities	(22,368)	(123,247)
Effect of exchange rate change on cash and cash equivalents	(109)	(129)
Net increase (decrease) in cash and cash equivalents	2,012	44,622
Cash and cash equivalents at beginning of period	194,650	196,662
Cash and cash equivalents at end of period	196,662	241,284

(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.	Okinawa Yamato Transport Co., Ltd.
Yamato Global Express Co., Ltd.	Yamato Logistics Co., Ltd.
Yamato Global Logistics Japan Co., Ltd.	YAMATO TRANSPORT U. S. A., INC.
Yamato Home Convenience Co., Ltd.	Yamato System Development Co., Ltd.
Yamato Financial Co., Ltd.	Yamato Autoworks Co., Ltd.
YAMATO BOX CHARTER CO., LTD	KURONEKO Innovation Fund L.P.
YAMATO (CHINA) CO., LTD.	YAMATO INVESTMENT (HONG KONG) LIMITED
YAMATO ASIA PTE. LTD.	

Effective from the fiscal year under review, Yamato Lease Co., Ltd. is excluded from the scope of consolidation upon partial transfer of its shares. Moreover, effective from the fiscal year under review, KURONEKO Innovation Fund L.P. has been established and is included in the scope of consolidation.

(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: 23

Names of major equity method affiliates:

Packcity Japan Co., Ltd.	GUANGZHOU WISEPOWER TRANSPORTATION & DISTRIBUTION GROUP CO., LTD.
Yamato Lease Co., Ltd.	GDEX BERHAD

Effective from the fiscal year under review, Yamato Lease Co., Ltd. is included in the scope of the equity method, having been excluded from the scope of consolidation upon partial transfer of its shares. Effective from the fiscal year under review, VIVL Pte. Ltd. and one other company were included in the scope of the equity method as GDEX BERHAD, an affiliate accounted for using the equity method, newly acquired their shares.

On December 17, 2020, GD EXPRESS CARRIER BHD. changed its name to GDEX BERHAD.

(2) Non-consolidated subsidiaries and affiliates not accounted for using equity method

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

(3) Special note on the application of equity method

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

(Segment information, etc.)

1. Segment information

(1) Summary of reportable segment

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

The Yamato Group 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, 2020

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Operating revenue					
Operating revenue from customers	1,310,067	143,934	27,805	30,579	77,072
Inter-segment operating revenue or transfers	56,762	13,836	11,398	43,188	2,814
Total	1,366,830	157,770	39,204	73,767	79,887
Segment profit (loss)	27,249	4,975	(10,061)	10,668	6,322
Segment assets	687,610	74,998	12,648	47,451	245,234
Others					
Depreciation	41,585	3,301	433	3,230	4,725
Investment in entities accounted for using equity method	439	1,549	–	–	–
Increases of property, plant and equipment and intangible assets	41,852	3,184	324	1,883	4,333

	Autoworks	Other (Notes 1, 2)	Total	Reconciliation (Note 3)	Amount recorded in consolidated financial statements (Note 4)
Operating revenue					
Operating revenue from customers	24,922	15,763	1,630,146	–	1,630,146
Inter-segment operating revenue or transfers	30,976	66,018	224,996	(224,996)	–
Total	55,899	81,782	1,855,142	(224,996)	1,630,146
Segment profit (loss)	4,295	36,045	79,495	(34,794)	44,701
Segment assets	29,567	22,457	1,119,968	(19,228)	1,100,739
Others					
Depreciation	677	841	54,795	287	55,083
Investment in entities accounted for using equity method	–	–	1,989	8,045	10,034
Increases of property, plant and equipment and intangible assets	1,638	636	53,854	1,178	55,033

- Notes:
1. Other includes business-to-business distribution via JITBOX Charter and shared services, etc.
 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 37,023 million yen.
 3. Adjustments made are as follows.
 - (1) The adjustment of negative 34,794 million yen of segment profit resulted from eliminating transactions among segments, etc.
 - (2) The adjustment of negative 19,228 million yen of segment assets includes eliminations of inter-segment receivables and payables, etc. of negative 151,149 million yen and group-wide assets of 131,920 million yen not allocated to each reportable segment.
 - (3) The adjustment of 8,045 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 1,178 million yen of increases of property, plant and equipment and intangible assets includes the Company's capital investment of 996 million yen.
 4. We made an adjustment between segment profit and operating profit in the consolidated statement of income.

Fiscal year ended March 31, 2021

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Operating revenue					
Operating revenue from customers	1,418,993	146,609	26,847	28,417	39,671
Inter-segment operating revenue or transfers	58,908	14,742	10,733	50,583	100
Total	1,477,902	161,351	37,581	79,001	39,771
Segment profit (loss)	77,195	5,108	(5,699)	11,669	6,276
Segment assets	757,832	78,316	13,674	52,327	140,914
Others					
Depreciation	38,215	3,432	451	2,500	1,074
Investment in entities accounted for using equity method	430	1,598	-	-	-
Increases of property, plant and equipment and intangible assets	35,066	3,945	907	2,783	2,116

	Autoworks	Other (Notes 1, 2)	Total	Reconciliation (Note 3)	Amount recorded in consolidated financial statements (Note 4)
Operating revenue					
Operating revenue from customers	21,833	13,493	1,695,867	-	1,695,867
Inter-segment operating revenue or transfers	31,611	61,708	228,388	(228,388)	-
Total	53,445	75,202	1,924,255	(228,388)	1,695,867
Segment profit (loss)	3,600	21,136	119,287	(27,165)	92,121
Segment assets	30,101	22,403	1,095,571	(5,579)	1,089,991
Others					
Depreciation	756	935	47,366	1,494	48,861
Investment in entities accounted for using equity method	-	-	2,028	9,162	11,190
Increases of property, plant and equipment and intangible assets	2,501	599	47,920	7,511	55,431

Notes: 1. Other includes business-to-business distribution via JITBOX Charter and shared services, etc.

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 29,568 million yen.

3. Adjustments made are as follows.

(1) The adjustment of negative 27,165 million yen of segment profit resulted from eliminating transactions among segments, etc.

(2) The adjustment of negative 5,579 million yen of segment assets includes eliminations of inter-segment receivables and payables, etc. of negative 190,713 million yen and group-wide assets of 185,133 million yen not allocated to each reportable segment.

(3) The adjustment of 9,162 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 7,511 million yen of increases of property, plant and equipment and intangible assets includes the Company's capital investment of 7,476 million yen.

4. 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, 2020

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Impairment loss	266	677	46	-	-

	Autoworks	Other	Total	Corporate or eliminations	Consolidated
Impairment loss	-	-	990	-	990

Fiscal year ended March 31, 2021

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Impairment loss	331	498	-	-	-

	Autoworks	Other	Total	Corporate or eliminations	Consolidated
Impairment loss	46	-	876	-	876

(Per share information)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net assets per share (Yen)	1,441.20	1,553.45
Basic earnings per share (Yen)	56.78	151.55

- Notes: 1. The number of common shares as of March 31, 2021 used to calculate net assets per share as well as the average number of common shares during the period used to calculate basic earnings per share are calculated by subtracting shares held in own name and by furthermore subtracting the Company's shares held by the Board Benefit Trust (BBT; 483,000 shares as of March 31, 2021, and an average of 322,000 shares during the period).
2. Diluted earnings per share is not presented since no potential shares exist.
3. The basis for calculating "basic earnings per share" is as follows.

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit attributable to owners of parent (Millions of yen)	22,324	56,700
Amount not belonging to ordinary shareholders (Millions of yen)	–	–
Profit attributable to owners of parent concerning common shares (Millions of yen)	22,324	56,700
Average number of common shares during the period (Thousands of shares)	393,170	374,149

(Important subsequent matters)

Not applicable.

4. Others

Operating revenue by business

Business segment		Fiscal year ended March 31, 2020		Fiscal year ended March 31, 2021		Change (%)
		Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	
Delivery	TA-Q-BIN	1,217,572	74.7	1,327,810	78.3	9.1
	Kuroneko DM-Bin	64,104	3.9	55,194	3.3	(13.9)
	Express	41,608	2.6	42,117	2.5	1.2
	Others	97,496	6.0	113,019	6.7	15.9
	Eliminations	(110,713)	(6.8)	(119,147)	(7.0)	7.6
	Total	1,310,067	80.4	1,418,993	83.7	8.3
BIZ-Logistics	Logistics	99,414	6.1	100,423	5.9	1.0
	Trading logistics service	41,796	2.6	51,486	3.0	23.2
	Others	31,669	1.9	29,471	1.7	(6.9)
	Eliminations	(28,946)	(1.8)	(34,771)	(2.1)	20.1
	Total	143,934	8.8	146,609	8.6	1.9
Home Convenience	Home convenience	39,210	2.4	37,585	2.2	(4.1)
	Eliminations	(11,404)	(0.7)	(10,737)	(0.6)	(5.9)
	Total	27,805	1.7	26,847	1.6	(3.4)
e-Business	Credit card solution	11,529	0.7	10,837	0.6	(6.0)
	IT operating	8,138	0.5	8,333	0.5	2.4
	Web-based mail order solution	6,190	0.4	4,949	0.3	(20.0)
	Others	53,309	3.3	61,195	3.6	14.8
	Eliminations	(48,589)	(3.0)	(56,899)	(3.4)	17.1
	Total	30,579	1.9	28,417	1.7	(7.1)
Financial	Payment	29,448	1.8	33,228	2.0	12.8
	Lease service	40,306	2.5	-	-	-
	Credit & Finance	3,344	0.2	3,043	0.2	(9.0)
	Others	6,848	0.4	3,586	0.2	(47.6)
	Eliminations	(2,875)	(0.2)	(187)	(0.0)	(93.5)
	Total	77,072	4.7	39,671	2.3	(48.5)
Autoworks	Truck solution	49,806	3.1	47,096	2.8	(5.4)
	Others	8,734	0.5	8,972	0.5	2.7
	Eliminations	(33,618)	(2.1)	(34,235)	(2.0)	1.8
	Total	24,922	1.5	21,833	1.3	(12.4)
Other	JITBOX Charter service	13,373	0.8	12,057	0.7	(9.8)
	Others	71,724	4.4	66,461	3.9	(7.3)
	Eliminations	(69,334)	(4.3)	(65,025)	(3.8)	(6.2)
	Total	15,763	1.0	13,493	0.8	(14.4)
Total		1,630,146	100.0	1,695,867	100.0	4.0