

## Consolidated Financial Results for the Year Ended March 31, 2012 <under Japanese GAAP>

Company name: Yamato Holdings Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Stock code: 9064  
 URL: <http://www.yamato-hd.co.jp/>  
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Scheduled date of the ordinary general meeting of shareholders: June 26, 2012  
 Scheduled date of the commencement of dividend payment: June 5, 2012  
 Scheduled date of the submission of annual securities report: June 22, 2012  
 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 2012 (from April 1, 2011 to March 31, 2012)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the year ended								
March 31, 2012	1,260,832	2.0	66,650	3.6	67,902	3.0	19,786	(40.4)
March 31, 2011	1,236,520	3.0	64,314	4.8	65,951	4.2	33,207	2.9

(Note) Comprehensive income: For the year ended March 31, 2012: 20,838 million yen ((32.4) %)  
 For the year ended March 31, 2011: 30,819 million yen ((10.0) %)

	Net income per share	Net income per share - fully diluted	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to operating revenue
For the year ended	Yen	Yen	%	%	%
March 31, 2012	46.00	44.87	3.8	7.5	5.3
March 31, 2011	73.42	73.30	6.5	7.4	5.2

(Reference) Equity in earnings of affiliates: For the year ended March 31, 2012: — million yen  
 For the year ended March 31, 2011: — 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, 2012	919,294	523,783	56.0	1,197.26
March 31, 2011	899,363	524,505	57.3	1,173.60

(Reference) Equity: As of March 31, 2012: 514,996 million yen As of March 31, 2011: 515,602 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, 2012	71,843	(41,092)	(32,916)	208,393
March 31, 2011	87,899	(51,678)	(20,152)	208,791

## 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 2011	—	11.00	—	11.00	22.00	9,824	30.0	1.9
Fiscal 2012	—	11.00	—	11.00	22.00	9,463	47.8	1.9
Fiscal 2013 (Forecast)	—	11.00	—	11.00	22.00		24.3	

## 3. Consolidated earnings forecasts for fiscal year 2013 (from April 1, 2012 to March 31, 2013)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year	630,000	2.7	23,500	3.6	24,000	3.0	12,000	104.2	27.90
Full year	1,308,000	3.7	70,000	5.0	71,000	4.6	39,000	97.1	90.67

\* **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 of prior period financial statements after error corrections
- a. Changes due to revision to accounting standards, etc.: None
- b. Changes other than a: None
- c. Changes in accounting estimates: None
- d. Restatement of prior period financial statements after error corrections: None
- (3) Number of issued shares (common stock)
- a. Number of issued shares as of the end of the period (including treasury stock)
- As of March 31, 2012: 468,052,892 shares
- As of March 31, 2011: 468,052,892 shares
- b. Number of treasury shares as of the end of the period
- As of March 31, 2012: 37,905,955 shares
- As of March 31, 2011: 28,716,928 shares
- c. Average number of shares during the period
- For the year ended March 31, 2012: 430,181,252 shares
- For the year ended March 31, 2011: 452,306,188 shares

(Note) For details of the number of shares used to calculate consolidated net income per share, please refer to "Per Share Information" on page 43.

**(Reference) Overview of non-consolidated financial results**

**1. Non-consolidated financial results for fiscal year 2012 (from April 1, 2011 to March 31, 2012)**

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the year ended March 31, 2012	14,172	(35.4)	11,083	(43.5)	11,882	(41.4)	9,641	(52.5)
March 31, 2011	21,927	13.8	19,621	13.9	20,281	12.7	20,290	16.8

	Net income per share		Net income per share - fully diluted	
	Yen		Yen	
For the year ended March 31, 2012	22.41		21.86	
March 31, 2011	44.86		44.79	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of March 31, 2012	480,502		385,053		80.1		895.17	
March 31, 2011	496,255		395,476		79.7		900.17	

(Reference) Equity: As of March 31, 2012: 385,053 million yen As of March 31, 2011: 395,476 million yen

\* **Indication regarding execution of audit procedures**

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

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

(Note concerning descriptions and other data regarding the future)

- 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. Operating Results" on pages 5 to 10.
- The Company plans to hold a financial results meeting for analysts on Tuesday, May 1, 2012. 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. Operating Results

### (1) Analysis of operating results

During the fiscal year under review, the business environment gradually trended towards recovery backed by the growing restoration demand associated with the Great East Japan Earthquake, although the overall Japanese economy showed signs of stagnancy, mainly due to the confusion in supply chains caused by the Earthquake, slowdowns in overseas economies affected by the European debt crisis, and the further appreciation of the yen. Operating in this environment, the Yamato Group worked to achieve greater sophistication of its existing businesses, particularly the Takkyubin Business, to realize the objectives of the Long-Term Management Plan "DAN-TOTSU Management Plan 2019" and the Medium-Term Management Plan "DAN-TOTSU Three-Year Plan HOP" and actively proposed a variety of services by utilizing the management resources within the Group. In addition, in order to offer the functions possessed by each company of the Yamato Group in a format that is most suited to our customer's needs, we conducted proposal-type marketing centered on "Solutions Lab," which is an organizational structure designed to act as a one-stop point of contact for corporate customers.

The results of the Delivery Business with respect to Takkyubin delivery volume were higher compared to the year-ago period, supported by the expansion of the mail-order market, which is attributable to the enhancements we made to the Takkyubin related services as well as efforts to expand our corporate clients' sales and support them in finding solutions to management challenges.

In the non-delivery businesses, on top of expanding the sales of services that respond to new forms of infrastructure in everyday living, such as e-money and smartphones, the Group actively proceeded to expand operating locations and develop new services for laying the foundation for its future growth.

Our consolidated financial results for the fiscal year under review ended March 31, 2012 were as follows.

Item	Fiscal 2011	Fiscal 2012	Change	(Millions of yen)	
				Growth (%)	
Operating revenue	1,236,520	1,260,832	24,312	2.0	
Operating income	64,314	66,650	2,336	3.6	
Ordinary income	65,951	67,902	1,950	3.0	
Net income	33,207	19,786	(13,420)	(40.4)	

### Initiatives for the entire Yamato Group

- a. While expanding its Delivery Business, which centers on Takkyubin, the Yamato Group is working to create new value to make the lives of customers more convenient by linking various management resources, including information technology, logistic technology, and financial technology functions. In addition, the Group endeavors to expand its business area and strengthen the growth momentum of the entire Yamato Group through promoting greater penetration of its services in the Asia region.
- b. In the domestic market, the Group actively offered services that accommodate each of the businesses of customers, including mail-order companies and medical equipment manufacturers, by making integrated use of the Group's management resources. We also supported the enhancement of customer convenience and sales capabilities through bolstering services relating to the ever-expanding electronic money. The Group shall continue to offer new convenience for customers by creating services that leverage the Yamato Group's unique functions and expanding the market of these services.
- c. In its business evolution into the Asia region, the Group focused its energies on further expanding its business area and started the Takkyubin service in Malaysia in September 2011. The Group also offers a half-day delivery service of office supplies in certain areas of Shanghai as part of its efforts to enhance the contents of its services.

Moving forward, by proactively promoting the development of various services centered on Takkyubin, the Yamato Group aims to contribute to the realization of an affluent society in the Asia region.

- d. With regard to Haneda Chronogate, which is the Yamato Group's largest ever logistics terminal under construction on land next to Haneda Airport, the fact was revealed that slate fragments containing asbestos were numerous dispersed over a wide area of the lot both on the ground surface and in the ground. On March 28, 2012, a lawsuit was filed with the Tokyo District Court against EBARA

CORPORATION, the seller of the lot, to demand compensation for damages with respect to the costs associated with the removal, etc. of slate fragments.

## Summary of each operating segment

### ● Delivery

The delivery volumes of Takkyubin and Kuroneko Mail services are as follows.

Category	(Million parcels/units)			
	Fiscal 2011	Fiscal 2012	Change	Growth (%)
Takkyubin	1,348	1,423	74	5.5
Kuroneko Mail	2,312	2,187	(124)	(5.4)

- a. In the Delivery Business, driven by the basic corporate philosophy of “Total Reliability,” the Yamato Group works on Takkyubin-centered business evolution in order to make the lives of customers more convenient.
- b. For individual customers, we have added electronic money functionality to the membership cards for our membership service, “Kuroneko Members”. With this new function, customers can now use the membership cards for daily shopping, in addition to paying fees for Takkyubin parcels. Furthermore, we expanded the network of stores that handle Takkyubin to include retail shops in stations, in an aim to enhance convenience when sending and receiving parcels.
- c. For corporate clients, we worked to expand their sales and solve their management challenges by promoting greater sales of services linked with non-delivery businesses, such as the storage management service function. As a result, Takkyubin delivery volumes increased with greater usage primarily by customers in the mail-order companies.
- d. As part of reforms being carried out in the pick-up and delivery operations, to raise delivery quality and boost productivity, we utilized teams of part-time employees called “Field Casts” and conducted en-masse delivery during the time zones that our customers are most frequently at home. In the fiscal year ended March 31, 2012, we steadily expanded the pick-up/delivery areas in which Field Casts are utilized.
- e. Operating revenue amounted to 1,014,564 million yen, up 1.9% from the previous fiscal year due to strong Takkyubin delivery volumes, although the delivery volume of Kuroneko Mail declined, affected by stricter parcel acceptance policies that emphasize compliance. Operating income was 40,964 million yen, up 1.0% 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 Takkyubin network with international transportation functions and warehouse management functions.
- b. For clients requiring international cargo transportation, the Yamato Group provides a variety of services, including an international intermodal transportation service that is interlinked with the Takkyubin network, as well as a delivery service based on box units. During the fiscal year under review, we steadily increased our revenue, mainly owing to an expanded usage of services for small-parcel transportation of cosmetics and food materials to overseas destinations and transportation of components by manufacturers.
- c. As part of logistics systems provided to the mail-order industry, the Group works on developing the “Today Shopping Service” that meets the need of purchasers who “wish to quickly receive the product.” By ensuring the product in storage is in our safekeeping beforehand, we are able to offer delivery in as short a time as four hours from ordering. In the fiscal year ended March 31, 2012, in addition to its operation of existing services, the Group started operation of new logistics systems that are capable of same-day shipment of products whenever required by the customer without the product in our safekeeping, and customers expanded their use of this service.
- d. For medical equipment manufacturers and other such corporations, the Group offers a service that collectively supports delivery, collection, cleaning and maintenance of medical equipment through the use of a dedicated logistics center that comes with a high-level hygiene management and security system. During the fiscal year under review, we accelerated the expansion of this business by newly establishing dedicated logistics centers in Sapporo, Tokyo and Fukuoka.

- e. Operating revenue amounted to 82,478 million yen, up 0.6% from the previous fiscal year, supported by the increased usage of medical equipment-related services and services for the mail-order business industry. Operating income amounted to 3,662 million yen, down 1 million yen from the previous fiscal year, due to the effects of greater costs associated with the deployment of new business initiatives related to the medical equipment-related services.

● **Home Convenience**

- a. In the Home Convenience Business, we are working to offer convenience and comfort to customers' lives by providing lifestyle support services that utilize the nationwide network of the Yamato Group.
- b. As part of our delivery service for furniture and electronic appliances, we provide services that meet the needs of consumers who "want to use the product immediately" by providing assembly and installation at the same time as delivery. During the fiscal year under review, the number of installations was lower than that of the previous fiscal year. Although the number of delivery and installation orders of essential electronic appliances to people affected by the Great East Japan Earthquake and of energy-saving appliances rose, the increase was not enough to exceed the demand as of the end of the eco-point program in the previous fiscal year.
- c. In the moving-related services, the Yamato Group has been offering the value of multiple pickup-and-deliveries as required and suitable fee structures reflecting the amount of furniture through the utilization of transportation by transport boxes. Additionally, by promoting these services together with rental or recycling services for electronic appliances, we are contributing to reducing the amount of household goods that needs to be transported when moving. In the fiscal year ended March 31, 2012, the service performed firmly as a result of expanded sales of the moving service for corporate customers and measures to boost the sales of recycled electrical appliances.
- d. Despite the expanded use of moving-related services, operating revenue was down 2.6% from the previous fiscal year to 47,715 million yen, due to the decline in the number of assemblies and installations. Operating loss was 43 million yen, which improved by 574 million yen from the previous fiscal year as a result of efforts to constrain costs through improving productivity and integrating operations.

● **e-Business**

- a. In the e-Business, the Yamato Group helps customers streamline their business processes and solve potential issues by proactively proposing solutions that combine logistics technology and financial technology functions with information technology function.
- b. In the e-money related services, the Group offers solutions through collaboration between the e-business and the financial business. It has been promoting installation and operation of a multi e-money settlement terminal that allows settlement by multiple types of e-money. During the fiscal year under review, the number of installations increased for restaurants and other customers, which led to greater revenue.
- c. For customers such as communication equipment suppliers and cable TV business operators that require itemized control of products, the Group offers services that contribute to better visualization of the flow and the location of items within the distribution process by utilizing the freight-tracking know-how from the Takkyubin business. During the fiscal year under review, in addition to the increase in the number of items managed by existing customers, there was a greater level of usage by new customers, and the business expanded.
- d. Operating revenue amounted to 35,504 million yen, an increase of 8.2% from the previous fiscal year, mainly owing to the growth in services for better visualization of the flow and location of items, services for managing sales promotion products of customers, and online supermarket-related services. Operating income was 6,703 million yen, down 0.1% from the previous fiscal year as a result of an increase in initial investment in e-money related services.

● **Financial**

- a. In the Financial Business, the Yamato Group is endeavoring to respond to every means of payment settlement to meet the needs of customers from payment collection on mail-order product delivery to B2B transaction settlement.
- b. In settlement services for the mail-order industry, the Group enhanced its response to a diversity of

settlement means penetrating in the market by increasing the types of e-money that can be used to make settlements and offering a settlement screen compatible to smartphones and tablet terminals. As a result, the number of settlements during the fiscal year under review exceeded the results of the previous fiscal year.

- c. For services to corporate customers, we offer the value of enhanced operating efficiency and reduced accounts receivable management costs through a comprehensive money collection agent service for business-to-business transactions called "Kuroneko Anshin Settlement Service". During the fiscal year under review, the Group aggressively proposed a sales promotion solution that collectively offers, on top of the settlement function, direct mail planning, printing and delivery services to support customers in expanding their trading areas.
- d. Operating revenue was up 3.3% from the previous fiscal year to 54,114 million yen due to the strong growth in the number of payment settlement transactions of the Takkyubin Collect service as a result of promoting services that support e-money. Operating income amounted to 9,938 million yen, which was a slight increase from the previous fiscal year mainly due to the rise in expenses for operating the e-money related services.

#### ● Truck Maintenance

- a. In the Truck Maintenance Business, the Yamato Group, through leveraging the technology that has been surely developed from the servicing and maintenance operations of Yamato Group vehicles as a management resource, is offering customers who use trucks, buses and other vehicles in their operations the value of improved vehicle maintenance convenience, compliance with statutory vehicle inspections, and reduced maintenance expenses.
- b. During the fiscal year under review, we continuously promoted our "Off-Time Vehicle Inspection," whereby vehicle inspections are conducted in the hours that are convenient to the customer, and our "12-Month Fixed-Price Maintenance Package," which evens out the monthly vehicle maintenance expenses, and the number of vehicles serviced increased. In addition, operations were newly commenced at the Gunma Plant in October 2011, the Kyoto Plant in November 2011, and the Saitama Plant in January 2012 in order to further expand the business area.
- c. Operating revenue amounted to 21,188 million yen, up 7.6% from the previous fiscal year due to an increase in the number of vehicles serviced and a rise in the unit price of fuel sales. Operating income was 2,513 million yen, up 17.8% from the previous fiscal year.

#### ● Other

- a. The "JITBOX Charter service" is a service that provides transportation by transport box. The service takes advantage of its Group network consisting of multiple companies and provides value to customers through delivery timed to suit the customer's needs and frequent, right-volume delivery. In the fiscal year ended March 31, 2012, there were increases in event-related transportation orders and collection requests related to the replacement of arcade game machines, and the handling volume of the Yamato Group exceeded that of the previous fiscal year.
- b. Operating income excluding dividends Yamato Holdings Co., Ltd. received from Group companies increased 50.9% from the previous fiscal year to 1,156 million yen.

#### CSR Initiatives

- a. The Yamato Group places utmost priority on protecting human life and conducts a range of safety measures. In the fiscal year ended March 31, 2012, in addition to continuously expanding the introduction of "See-T Navi," an independent on-board system designed with safety in mind, the Group conducted "Safety Classes for Children" in elementary schools and other sites across Japan and promoted experience-simulated safety education for drivers.
- b. The Yamato Group recognizes that initiatives to address environmental problems are challenges to be shared by all humanity, and we take the initiative to proactively promote environmental protection activities. In the fiscal year ended March 31, 2012, aiming to reduce CO<sub>2</sub> emissions in pickup and delivery operations, the Yamato Group utilized electric vehicles and promoted various other initiatives such as operating pickup and delivery operations by roadway tram. In addition, electricity conservation measures, such as disconnecting some lights, were carried out on a Group-wide basis.



- c. Aspiring to be a company that has a strong bond of trust with the local community, the Yamato Group promotes various activities to help realize a society in which disabled people can freely enjoy a lifestyle as a member of the workforce. For example, led by Yamato Welfare Foundation, we actively employ disabled people in the Swan Bakery that makes and sells bread, provide workplaces through the consigned delivery of Kuroneko Mail, and operate job-finding support facilities that conduct training of skills and knowledge necessary for employment.
- d. To assist in the recovery from the Great East Japan Earthquake, the Yamato Group has been providing support for the transportation of supplies, and employees in the Group have been actively participating in volunteer activities. In addition, the Group continued to make a donation of 10 yen for each Takkyubin package for a one-year period aiming to support restoration of industry and the revival of the agriculture and fishing industries of the earthquake affected areas. The entire amount, totaling 14,200 million yen based on the number of Takkyubin deliveries handled during the fiscal year under review, was donated to Yamato Welfare Foundation, a public interest incorporated foundation approved by the Minister of Finance under the specified donation system fully tax-exempt and has been allocated in phases along with the donation collected by the Foundation from other companies, organizations and the general public to construction costs for a temporary fish market in Minami Sanriku-cho, Miyagi Prefecture and a day nursery in Noda-mura, Iwate Prefecture, and other purposes.

### **Outlook for fiscal 2013**

Looking forward at the state of the economy, it is expected that uncertain conditions will remain due to the effects of the European debt crisis and the further strengthening of the yen, although the Japanese economy has been recovering moderately owing to the growing restoration demand.

Under these circumstances, the Yamato Group will endeavor to further strengthen its growth base by accurately identifying market changes to secure revenues, actively proposing solutions backed by a reinforced combination of management resources accumulated in the Group, and creating new business schemes to provide convenience for customers. Meanwhile, the Group will manage costs by further implementing reforms in the collection function, demonstrating its commitment to enhancing operating efficiency and continuing to implement measures to heighten productivity, thereby improving the cost structure.

We expect operating revenue will be 1,308.0 billion yen, with operating income at 70.0 billion yen, ordinary income at 71.0 billion yen and net income at 39.0 billion yen.

## **(2) Analysis of financial position**

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

Total assets were 919,294 million yen as of March 31, 2012, up 19,931 million yen from the end of the previous fiscal year. This was primarily due to an increase in notes and accounts receivable-trade of 16,079 million yen.

Liabilities increased 20,653 million yen to 395,510 million yen from the end of the previous fiscal year. This was primarily due to an increase in notes and accounts payable-trade of 15,755 million yen.

Total net assets were 523,783 million yen, down 721 million yen from the end of the previous fiscal year. Major factors included 19,786 million yen in net income on one hand, and the acquisition of treasury stock of 11,884 million yen and a 9,564 million yen dividends from surplus on the other hand. Accordingly, the equity ratio decreased to 56.0% from 57.3% in the previous fiscal year.

Net cash provided by operating activities amounted to 71,843 million yen, which is a decrease of 16,055 million yen compared to the previous fiscal year. Major factors included 45,817 million yen in net income before income taxes and minority interests and 38,684 million yen in depreciation and amortization, as well as a payment of 26,742 million yen in income taxes. The main reason for the year-on-year difference was that compared to the previous fiscal year, net income before income taxes and minority interests decreased 16,018 million yen.

Net cash used in investing activities was 41,092 million yen, which is a decrease of 10,586 million yen compared to the previous fiscal year. The main reason for the year-on-year difference was a decrease in cash used for the purchase of property, plant and equipment of 7,000 million yen from the previous fiscal

year.

Net cash used in financing activities was 32,916 million yen, mainly due to cash used for the acquisition of treasury stock of 11,889 million yen and cash dividends paid of 9,577 million yen. Compared to the result of the previous fiscal year, the amount of net cash used increased by 12,764 million yen. The main reason for the year-on-year increase was that in the previous fiscal year, we adopted a capital policy of issuing corporate bonds with subscription rights to shares of euro-yen denominated convertible corporate bond (to mature in 2016) for the acquisition of treasury stock, and cash used for the acquisition for treasury stock during the fiscal year under review totaled 11,889 million yen.

As a result, cash and cash equivalents were 208,393 million yen as of March 31, 2012, down 398 million yen from the end of the previous fiscal year.

b. Trends in cash flows

	143rd term Fiscal 2008	144th term Fiscal 2009	145th term Fiscal 2010	146th term Fiscal 2011	147th term Fiscal 2012
Equity ratio (%)	53.3	54.7	58.4	57.3	56.0
Equity ratio on market value basis (%)	74.0	47.2	67.9	63.0	59.8
Ratio of interest-bearing debts to cash flows	1.0	1.3	1.1	1.2	1.3
Interest coverage ratio	70.1	39.7	44.1	57.9	57.0

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

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

**(3) Basic profit distribution policy and dividends for fiscal 2012 and 2013**

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

For the fiscal year under review, we plan to pay an 11 yen dividend per share, bringing the annual dividend to 22 yen, of which 11 yen has already been disbursed as an interim dividend. We will decide on dividends for the next fiscal year based on consolidated net income in accordance with our basic profit distribution policy.

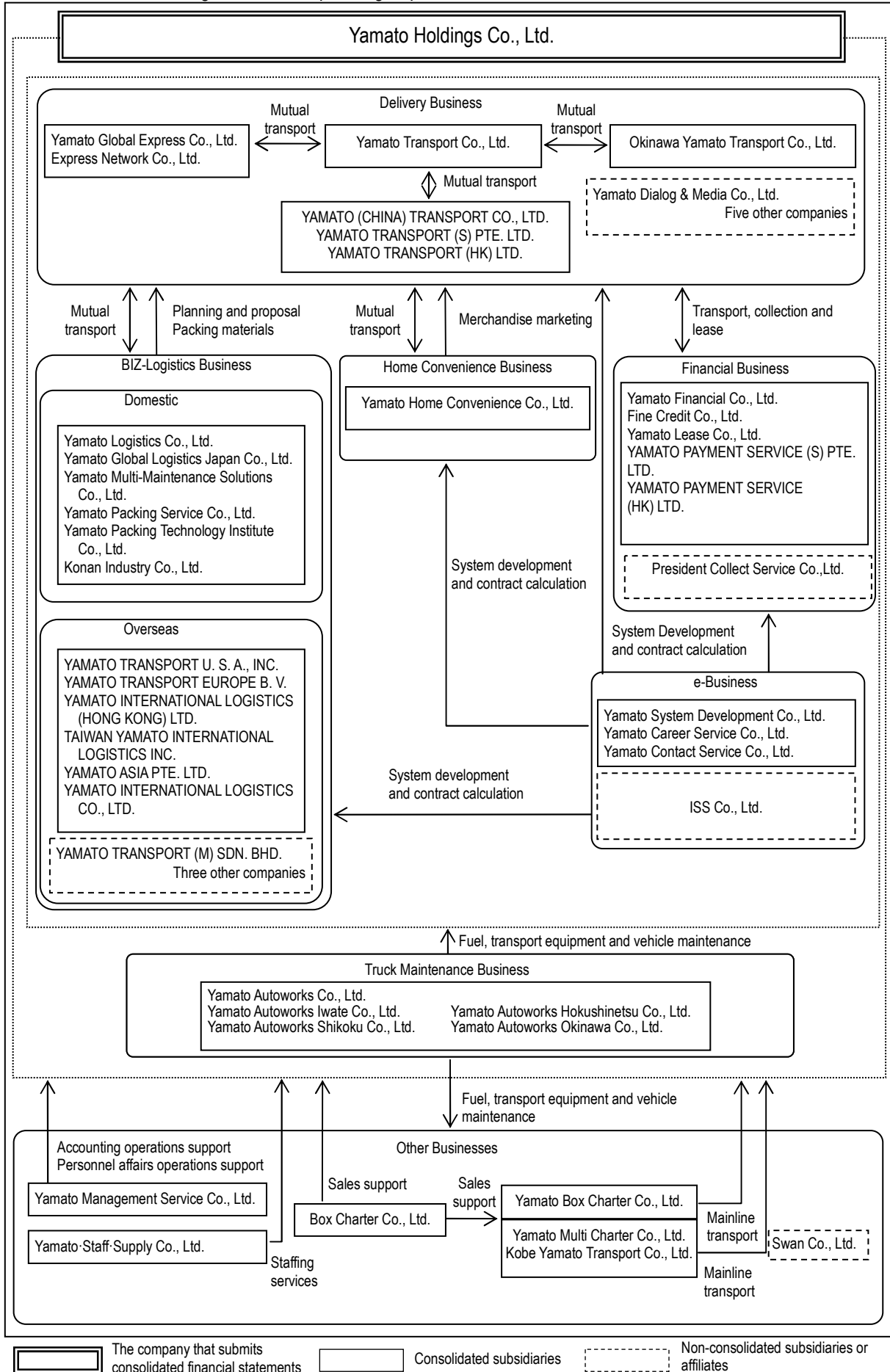
## 2. Status of the Corporate Group

The Yamato Group consists of Yamato Holdings Co., Ltd. (the Company), 45 subsidiaries and 7 affiliates. The main businesses are Delivery business, BIZ-Logistics business, Home Convenience business, e-Business, Financial business, Truck Maintenance business, and other services related to these businesses.

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

Business segment	Content of business and main products	Main companies
Delivery	Takkyubin, Cool Takkyubin, Takkyubin Time Service, Worldwide Delivery Service, Golf, Ski & Airport Round Trip Takkyubin, Super-Speed Takkyubin, Kuroneko Mail, domestic air cargo transport and Express Delivery Service	Yamato Transport Co., Ltd.; Okinawa Yamato Transport Co., Ltd.; Yamato Global Express Co., Ltd.; Express Network Co., Ltd.; Yamato Transport (HK) Ltd., YAMATO TRANSPORT (S) PTE. LTD., YAMATO (CHINA) TRANSPORT CO., LTD. ; and six other companies (Total: 13 companies)
BIZ-Logistics	Logistics, medical products distribution services, Maintenance Support Service, recall support service, international intermodal transportation service and overseas lifestyle support services	Yamato Logistics Co., Ltd.; Yamato Global Logistics Japan Co., Ltd.; Yamato Multi-Maintenance Solutions Co., Ltd.; Yamato Packing Service Co., Ltd.; Yamato Packing Technology Institute Co., Ltd.; Konan Industry Co., Ltd.; YAMATO TRANSPORT U. S. A., INC.; YAMATO TRANSPORT EUROPE B. V.; YAMATO INTERNATIONAL LOGISTICS (HONG KONG) LTD.; TAIWAN YAMATO INTERNATIONAL LOGISTICS INC.; YAMATO ASIA PTE. LTD.; YAMATO INTERNATIONAL LOGISTICS CO., LTD.; and four other companies (Total: 16 companies)
Home Convenience	Pickup, delivery and installation of household goods and electric appliances, moving and lifestyle support services, and merchandising services	Yamato Home Convenience Co., Ltd. (Total: 1 company)
e-Business	System development, sales of system package solutions, distribution information services and information security service	Yamato System Development Co., Ltd.; Yamato Career Service Co., Ltd.; Yamato Contact Service Co., Ltd.; and one other company (Total: 4 companies)
Financial	Takkyubin Collect service, Internet total settlement service, agent services for shopping loan and comprehensive lease services	Yamato Financial Co., Ltd.; Fine Credit Co., Ltd.; Yamato Lease Co., Ltd.; Yamato Payment Service (HK) Ltd., YAMATO PAYMENT SERVICE (S) PTE. LTD.; and one other company (Total: 6 companies)
Truck Maintenance	Vehicle maintenance business, fuel sales and nonlife insurance agent business	Yamato Autoworks Co., Ltd.; Yamato Autoworks Iwate Co., Ltd.; Yamato Autoworks Hokushinetsu Co., Ltd.; Yamato Autoworks Shikoku Co., Ltd.; Yamato Autoworks Okinawa Co., Ltd. (Total: 5 companies)
Other	JITBOX Charter, staffing services and shared services	Yamato Holdings Co., Ltd.; Box Charter Co., Ltd.; Yamato Box Charter Co., Ltd.; Yamato Staff Supply Co., Ltd.; Yamato Management Service Co., Ltd.; Yamato Multi Charter Co., Ltd.; Kobe Yamato Transport Co., Ltd.; and one other company (Total: 8 companies)

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



### **3. Management Policy**

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

With regard to the basic corporate management policies and medium- to long-term corporate management strategies, disclosure is omitted as there have been no significant changes to the contents since they were disclosed in the Consolidated Financial Results for the Year Ended March 31, 2011 (disclosed on April 28, 2011).

While the Japanese economy is on a moderate recovery after about a year has passed since the occurrence of the Great East Japan Earthquake on March 11, 2011, given that uncertain conditions still remain, the Yamato Group aims to achieve the quantitative management targets indicated under “Outlook for fiscal 2013” on page 9.

Consolidated Financial Results for the Year Ended March 31, 2011 may be viewed at the following websites:  
(Website of the Company)

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

(Website of the Tokyo Stock Exchange; (“Listed Company Information” page))

<http://www.tse.or.jp/listing/compsearch/index.html>

#### **(2) Issues to be addressed by the Company**

Based on the long-term management plan, “DAN-TOTSU Management Plan 2019” and the medium-term management plan, “DAN-TOTSU Three-Year Plan HOP,” the Yamato Group will work on the following to satisfy the needs of our shareholders, customers, society, and employees.

- a. The Group will build Takkyubin services and other businesses fostered in Japan in major countries and regions in Asia while developing a network that connects the countries and regions in which it operates to accommodate the logistics needs of citizens and corporations in the international community.
- b. The Group will promote sophisticated Takkyubin services in Japan by providing local community-oriented services, including support for individuals having difficulties in day-to-day shopping, in addition to reinforcing service infrastructure unique to the Group, such as the “Kuroneko Members” membership service and e-money settlement.
- c. The Group will exert continuous efforts to raise the productivity of collection and back-office operations while promoting reinforcement of its profit structure and competitiveness by revising sorting operations and implementing networks to enhance operating efficiency and productivity as well as improving transport and delivery service quality.
- d. The Group will create new businesses that can offer convenience for customers, such as logistics processing and international intermodal transportation through combined use of management resources accumulated within the Group, including information, logistics and settlement functions, and developing networks both inside and outside Japan. In addition, the Group will strengthen its growth momentum by further strengthening existing proprietary business activities.
- e. The Group will aim to become society’s most trusted and familiar group of companies by further promoting measures to ensure sustainability of business, compliance with laws and regulations and strict governance while aggressively implementing environmental activities, safety measures and social contribution activities.

## 4. Consolidated Financial Statements

### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	209,177	209,179
Notes and accounts receivable-trade	142,095	158,174
Accounts receivable-installment	41,151	35,538
Lease investment assets	17,506	18,924
Merchandise and finished goods	804	770
Work in process	173	87
Raw materials and supplies	1,735	2,487
Deferred tax assets	18,184	17,078
Other	22,913	24,474
Allowance for doubtful accounts	(3,486)	(2,260)
Total current assets	450,255	464,455
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	271,232	273,712
Accumulated depreciation	(154,721)	(162,098)
Buildings and structures, net	116,510	111,613
Machinery and equipment	39,108	39,609
Accumulated depreciation	(27,820)	(29,485)
Machinery and equipment, net	11,288	10,124
Vehicles	179,978	182,004
Accumulated depreciation	(165,059)	(170,306)
Vehicles, net	14,919	11,697
Land	182,420	182,303
Lease assets	24,826	25,937
Accumulated depreciation	(8,820)	(12,008)
Lease assets, net	16,005	13,928
Construction in progress	13,796	30,051
Other	72,114	71,958
Accumulated depreciation	(58,899)	(56,498)
Other, net	13,215	15,459
Total property, plant and equipment	368,155	375,179
Intangible assets		
Goodwill	779	584
Software	10,446	12,018
Other	3,968	4,191
Total intangible assets	15,194	16,794

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Investments and other assets		
Investment securities	22,909	21,968
Long-term loans receivable	1,505	1,293
Lease deposits	21,704	20,202
Deferred tax assets	17,275	17,196
Other	4,955	4,180
Allowance for doubtful accounts	(2,278)	(1,754)
Allowance for investment loss	(315)	(222)
Total investments and other assets	65,758	62,865
Total noncurrent assets	449,108	454,839
Total assets	899,363	919,294
Liabilities		
Current liabilities		
Notes and accounts payable-trade	113,698	129,454
Short-term loans payable	21,638	17,390
Lease obligations	5,297	4,950
Income taxes payable	20,447	17,631
Deferred installment income	6,363	4,959
Provision for bonuses	29,731	29,421
Other	67,156	78,535
Total current liabilities	264,332	282,343
Noncurrent liabilities		
Bonds with subscription rights to shares	20,000	20,000
Long-term loans payable	43,131	40,850
Lease obligations	11,306	9,588
Deferred tax liabilities	784	269
Provision for retirement benefits	28,470	31,733
Provision for directors' and auditors' retirement benefits	7	7
Other	6,823	10,717
Total noncurrent liabilities	110,525	113,167
Total liabilities	374,857	395,510

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Net assets		
Shareholders' equity		
Capital stock	127,234	127,234
Capital surplus	121,314	121,314
Retained earnings	311,569	321,862
Treasury stock	(44,630)	(56,514)
Total shareholders' equity	515,488	513,897
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,501	2,975
Foreign currency translation adjustment	(1,386)	(1,876)
Total accumulated other comprehensive income	114	1,099
Minority interests	8,902	8,787
Total net assets	524,505	523,783
Total liabilities and net assets	899,363	919,294



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

(Millions of yen)

	For the year ended March 31, 2011	For the year ended March 31, 2012
Operating revenue	1,236,520	1,260,832
Operating cost	1,143,005	1,163,777
Operating gross profit	93,514	97,055
Selling, general and administrative expenses		
Personnel expenses	16,669	18,505
Provision for bonuses	702	761
Provision for retirement benefits	693	1,147
Commission fee	6,807	7,662
Taxes and dues	3,357	3,314
Provision of allowance for doubtful accounts	—	(866)
Depreciation	1,152	1,257
Other	1,212	530
Total selling, general and administrative expenses	29,200	30,404
Operating income	64,314	66,650
Non-operating income		
Interest income	102	79
Dividends income	457	526
Subsidies for low-emission vehicles	615	174
Rent income	344	286
Other	1,889	1,772
Total non-operating income	3,408	2,839
Non-operating expenses		
Interest expenses	873	737
Rent expenses	192	205
Other	704	644
Total non-operating expenses	1,771	1,587
Ordinary income	65,951	67,902
Extraordinary income		
Gain on sales of noncurrent assets	6	123
Gain on sales of investment securities	45	—
Reversal of allowance for doubtful accounts	272	—
Reversal of allowance for investment loss	91	—
Total extraordinary income	414	123

(Millions of yen)

	For the year ended March 31, 2011	For the year ended March 31, 2012
Extraordinary loss		
Loss on retirement of noncurrent assets	196	408
Loss on valuation of investment securities	85	1,981
Donations concerning restoration support	—	14,236
Retirement payments related to the extension of retirement age	—	4,443
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,642	—
Other	2,606	1,137
Total extraordinary losses	4,529	22,207
Income before income taxes and minority interests	61,835	45,817
Income taxes-current	29,563	25,690
Income taxes-deferred	(1,072)	368
Total income taxes	28,490	26,059
Income before minority interests	33,345	19,758
Minority interests in income (or loss)	137	(28)
Net income	33,207	19,786

(Consolidated statements of comprehensive income)

(Millions of yen)

	For the year ended March 31, 2011	For the year ended March 31, 2012
Income before minority interests	33,345	19,758
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,757)	1,514
Foreign currency translation adjustment	(768)	(433)
Total other comprehensive income	(2,525)	1,080
Comprehensive income	30,819	20,838
(Breakdown)		
Comprehensive income attributable to owners of the parent	30,868	20,826
Comprehensive income attributable to minority interests	(48)	11

**(3) Consolidated statements of changes in net assets**

(Millions of yen)

	For the year ended March 31, 2011	For the year ended March 31, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	127,234	127,234
Balance at the end of current period	127,234	127,234
Capital surplus		
Balance at the beginning of current period	121,315	121,314
Changes of items during the period		
Disposal of treasury stock	(0)	(0)
Total changes of items during the period	(0)	(0)
Balance at the end of current period	121,314	121,314
Retained earnings		
Balance at the beginning of current period	288,408	311,569
Changes of items during the period		
Dividends from surplus	(9,982)	(9,564)
Change of scope of consolidation	(63)	70
Net income	33,207	19,786
Total changes of items during the period	23,161	10,293
Balance at the end of current period	311,569	321,862
Treasury stock		
Balance at the beginning of current period	(26,505)	(44,630)
Changes of items during the period		
Purchase of treasury stock	(18,126)	(11,884)
Disposal of treasury stock	2	0
Total changes of items during the period	(18,124)	(11,884)
Balance at the end of current period	(44,630)	(56,514)
Total shareholders' equity		
Balance at the beginning of current period	510,452	515,488
Changes of items during the period		
Dividends from surplus	(9,982)	(9,564)
Change of scope of consolidation	(63)	70
Net income	33,207	19,786
Purchase of treasury stock	(18,126)	(11,884)
Disposal of treasury stock	1	0
Total changes of items during the period	5,035	(1,591)
Balance at the end of current period	515,488	513,897

(Millions of yen)

	For the year ended March 31, 2011	For the year ended March 31, 2012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	3,196	1,501
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,695)	1,474
Total changes of items during the period	(1,695)	1,474
Balance at the end of current period	1,501	2,975
Foreign currency translation adjustment		
Balance at the beginning of current period	(738)	(1,386)
Changes of items during the period		
Net changes of items other than shareholders' equity	(648)	(489)
Total changes of items during the period	(648)	(489)
Balance at the end of current period	(1,386)	(1,876)
Total accumulated other comprehensive income		
Balance at the beginning of current period	2,457	114
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,343)	984
Total changes of items during the period	(2,343)	984
Balance at the end of current period	114	1,099
Minority interests		
Balance at the beginning of current period	10,562	8,902
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,660)	(115)
Total changes of items during the period	(1,660)	(115)
Balance at the end of current period	8,902	8,787
Total net assets		
Balance at the beginning of current period	523,473	524,505
Changes of items during the period		
Dividends from surplus	(9,982)	(9,564)
Change of scope of consolidation	(63)	70
Net income	33,207	19,786
Purchase of treasury stock	(18,126)	(11,884)
Disposal of treasury stock	1	0
Net changes of items other than shareholders' equity	(4,003)	869
Total changes of items during the period	1,032	(721)
Balance at the end of current period	524,505	523,783

**(4) Consolidated statements of cash flows**

(Millions of yen)

	For the year ended March 31, 2011	For the year ended March 31, 2012
Cash flows from operating activities		
Income before income taxes and minority interests	61,835	45,817
Depreciation and amortization	39,585	38,684
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,642	—
Increase (decrease) in provision for retirement benefits	608	3,264
Increase (decrease) in provision for bonuses	594	(317)
Interest and dividends income	(559)	(605)
Interest expenses	1,524	1,257
Loss (gain) on sales of noncurrent assets	(6)	(123)
Loss on retirement of noncurrent assets	196	408
Loss (gain) on sales of investment securities	(44)	—
Loss (gain) on valuation of investment securities	88	1,981
Decrease (increase) in notes and accounts receivable-trade	12,973	(11,961)
Decrease (increase) in inventories	(827)	(520)
Increase (decrease) in notes and accounts payable-trade	737	15,771
Other, net	(1,868)	18,675
Subtotal	116,481	112,332
Interest and dividends income received	566	601
Interest expenses paid	(1,517)	(1,260)
Donations concerning restoration support paid	—	(13,087)
Income taxes paid	(27,630)	(26,742)
Net cash provided by (used in) operating activities	87,899	71,843
Cash flows from investing activities		
Payments into time deposits	(186)	(712)
Proceeds from withdrawal of time deposits	440	404
Purchase of property, plant and equipment	(42,913)	(35,913)
Proceeds from sales of property, plant and equipment	493	787
Purchase of investment securities	(5,973)	(1,301)
Proceeds from sales of investment securities	196	8
Payments of loans receivable	(1,122)	(1,129)
Collection of loans receivable	1,922	1,399
Other payments	(6,541)	(6,738)
Other proceeds	2,006	2,101
Net cash provided by (used in) investing activities	(51,678)	(41,092)

(Millions of yen)

	For the year ended March 31, 2011	For the year ended March 31, 2012
Cash flows from financing activities		
Increase in short-term loans payable	65,033	23,313
Decrease in short-term loans payable	(76,744)	(26,600)
Repayments of finance lease obligations	(5,104)	(5,809)
Proceeds from long-term loans payable	17,000	9,850
Repayment of long-term loans payable	(8,008)	(13,008)
Proceeds from issuance of bonds	19,884	—
Redemption of bonds	(5,000)	—
Proceeds from sales of treasury stock	1	0
Purchase of treasury stock	(18,132)	(11,889)
Cash dividends paid	(9,972)	(9,577)
Cash dividends paid to minority shareholders	(139)	(129)
Other, net	1,029	1,032
Net cash provided by (used in) financing activities	(20,152)	(32,916)
Effect of exchange rate change on cash and cash equivalents	(467)	(182)
Net increase (decrease) in cash and cash equivalents	15,600	(2,348)
Cash and cash equivalents at beginning of period	189,351	208,791
Increase in cash and cash equivalents from newly consolidated subsidiary	3,853	1,949
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(13)	—
Cash and cash equivalents at end of period	208,791	208,393

**(5) Notes to premise of going concern**

Not applicable.

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

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 39

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

Yamato Transport (HK) Ltd., Yamato Payment Service (HK) Ltd., and Yamato Contact Service Co., Ltd. are included in the scope of consolidation from the fiscal year under review due to their increased materiality.

(2) Non-consolidated subsidiaries, etc.

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

2. Application of equity method

The equity method is not applied to YAMATO TRANSPORT (M) SDN. BHD. and certain other non-consolidated subsidiaries, along with YAMATO UNYU (THAILAND) CO., LTD. and certain other affiliated companies. The net income and the retained earnings of these companies are immaterial and, even taken together as a group, they do not exert a significant influence on the consolidated financial statements.

3. Closing date of consolidated subsidiaries

Of consolidated subsidiaries, YAMATO TRANSPORT U.S.A., INC., and other ten overseas subsidiaries have December 31 as their financial year end. Financial statements as of this closing date were used in the preparation of the consolidated financial statements. However, the consolidated figures have been adjusted as required to reflect significant transactions occurring between December 31, 2011 and March 31, 2012 that is the consolidated closing date.

4. Accounting policies

(1) Valuation basis and methods for principle assets

a. Securities

Securities held-to-maturity

Amortized cost method (straight-line method)

Available-for-sale securities

Securities with fair market value:

Stated at the fair market value based on the quoted market price as of the fiscal year end (valuation differences are recognized in net assets; the cost of securities sold is the moving-average method)

Securities without fair market value:

Stated at the cost by moving-average method

b. Inventories

Stated at the cost by first-in first-out method (for the value stated in the balance sheet, book value is written down based on the decreased profitability)



(2) Depreciation and amortization methods of major depreciable or amortizable assets

Property, plant and equipment (excluding lease assets):

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

For overseas consolidated subsidiaries' assets, straight-line methods based on estimated useful lives is adopted.

Intangible assets (excluding lease assets):

Computed using the straight-line method, but software is amortized by the straight-line method over the estimated useful life (five years).

Lease assets:

Straight-line method where the useful life of lease assets shall be equal to the lease period and their residual value shall be zero.

(3) Accounting standards for provisions

a. Allowance for doubtful accounts

The allowance for doubtful accounts is provided to prepare for loss from uncollectible credits.

For ordinary receivables, the amount is estimated using the rate based on the historical bad debt experience. For special receivables with higher uncertainty of collectivity is considered on individual cases, and prospective uncollectible amount is provided.

b. Allowance for investment loss

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

c. Provision for bonuses

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

This provision is not applicable for overseas subsidiaries.

d. Provision for retirement benefits

To provide for the employees' retirement benefits, provision for retirement benefits is recorded based on the projected retirement benefit obligations and related pension assets of the fiscal year ended March 31, 2012.

Entire amount of prior service cost is charged to expenses for the fiscal year of occurrence.

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

e. Provision for directors' and auditors' retirement benefits

At some consolidated subsidiaries, provision for directors' and auditors' retirement benefits (including executive officers) is recorded in the amount to be paid as of the end of fiscal year based on an internal rule.

(4) Basis of revenue recognition

Deferred installment income:

The prorated amounts for the shopping loan service are recognized as income when the due date comes.

(5) Method of significant hedge accounting

a. Method of hedge accounting

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

b. Hedging instrument and hedged item

Hedging instrument: Interest rate swaps

Hedged item: Interest on loans

c. Hedging policy

Interest rate swap transactions are used to avoid interest rate fluctuation risk associated with fund procurement.

d. Method of evaluating hedge effectiveness

Hedging effectiveness in interest rate swap transactions is not evaluated as they are accounted for using the exceptional treatment.

(6) Amortization of goodwill and amortization period

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

(7) Scope of funds in consolidated statements of cash flows

Cash (cash and cash equivalents) in the consolidated statements of cash flows consists of cash on hand and short-term investments with a maturity not exceeding three months from the time of purchase that are readily convertible to cash and not exposed to significant risk in value fluctuations. Bank overdrafts are included in cash equivalents except when they are clearly regarded for procurement of funds, as is the case with short-term loans payable.

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

Accounting for consumption taxes:

Consumption taxes are excluded from transaction amounts.

**(7) Additional information**

For accounting changes and corrections of prior period errors made on or after April 1, 2011, the Group has applied the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, December 4, 2009) and the "Implementation Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009).

**(8) Notes to consolidated financial statements**

**(Consolidated balance sheets)**

	<u>Fiscal 2011</u>	<u>Fiscal 2012</u>
		(Millions of yen)
Investment securities for non-consolidated subsidiaries and affiliates	3,999	3,219

**(Consolidated statements of comprehensive income)**

Recycling amount and income tax relating to other comprehensive income

	<u>Fiscal 2011</u>	<u>Fiscal 2012</u>
		(Millions of yen)
Valuation difference on available-for-sale securities		
Amount recorded during the period	(2,497)	428
Recycling amount	85	1,389
Before tax effect adjustments	(2,412)	1,818
Tax effect amount	655	(304)
Valuation difference on available-for-sale securities	(1,757)	1,514
Foreign currency translation adjustment		
Amount recorded during the period	(768)	(433)
Total other comprehensive income	(2,525)	1,080

## (Consolidated statements of changes in net assets)

For the year ended March 31, 2011

### 1. Class and total number of issued shares and treasury stock

(Thousands of shares)

	Number of shares as of the beginning of the current fiscal year	Number of increased shares in current fiscal year	Number of decreased shares in current fiscal year	Number of shares as of end of current fiscal year
Issued shares				
Common stock	468,052	—	—	468,052
Total	468,052	—	—	468,052
Treasury stock				
Common stock (Note)	14,282	14,435	1	28,716
Total	14,282	14,435	1	28,716

Note: The increase of 14,435 thousand shares of treasury stock of common stock resulted from an increase of 14,429 thousand shares due to the purchase of treasury stock and an increase of 6 thousand shares due to the purchase of fractional shares. The decrease of 1 thousand shares of treasury stock of common stock resulted from sales of fractional shares.

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

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

### 3. Dividends

#### (1) Payment of dividends

Resolution	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date on and after
The Board of Directors Meeting on May 14, 2010	Common stock	4,991	11	March 31, 2010	June 3, 2010
The Board of Directors Meeting on October 28, 2010	Common stock	4,991	11	September 30, 2010	December 10, 2010

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

Resolution	Type of shares	Total amount of dividends (millions of yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date on and after
The Board of Directors Meeting on May 16, 2011	Common stock	4,832	Retained earnings	11	March 31, 2011	June 6, 2011

For the year ended March 31, 2012

1. Class and total number of issued shares and treasury stock

(Thousands of shares)

	Number of shares as of the beginning of the current fiscal year	Number of increased shares in current fiscal year	Number of decreased shares in current fiscal year	Number of shares as of end of current fiscal year
Issued shares				
Common stock	468,052	—	—	468,052
Total	468,052	—	—	468,052
Treasury stock				
Common stock (Note)	28,716	9,189	0	37,905
Total	28,716	9,189	0	37,905

Note: The increase of 9,189 thousand shares of treasury stock of common stock resulted from an increase of 9,186 thousand shares due to the purchase of treasury stock and an increase of 3 thousand shares due to the purchase of fractional shares.  
The decrease of 0 thousand shares of treasury stock of common stock resulted from sales of fractional shares.

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

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

3. Dividends

(1) Payment of dividends

Resolution	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date on and after
The Board of Directors Meeting on May 16, 2011	Common stock	4,832	11	March 31, 2011	June 6, 2011
The Board of Directors Meeting on October 28, 2011	Common stock	4,731	11	September 30, 2011	December 9, 2011

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

Resolution	Type of shares	Total amount of dividends (millions of yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date on and after
The Board of Directors Meeting on May 15, 2012 (planned)	Common stock	4,731	Retained earnings	11	March 31, 2012	June 5, 2012 (planned)

**(Consolidated statements of cash flows)**

Relationship between the balance of cash and cash equivalents at the end of the period and the amounts recorded in the items shown on the consolidated balance sheets

(Millions of yen)

	<u>Fiscal 2011</u>	<u>Fiscal 2012</u>
Cash and deposits	209,177	209,179
Time deposits due beyond three months	(104)	(490)
Short-term loans payable account	(281)	(295)
Cash and cash equivalents	208,791	208,393

## (Segment Information)

### 1. Segment Information

#### (1) Summary of reportable segment

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

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

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

Delivery Business, BIZ-Logistics Business, Home Convenience Business, e-Business, Financial Business, and Truck Maintenance 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
Truck Maintenance	Collective vehicle management agent business for transportation companies

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

The accounting method used for reported business segments is the same as that described in the section on "Significant matters forming the basis of preparing the consolidated financial statements."

(3) Information regarding the amounts of operating revenue, income/loss, assets and other items by reportable segment  
For the year ended March 31, 2011

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Operating revenue					
Operating revenue from customers	995,651	82,007	48,997	32,798	52,392
Inter-segment operating revenue or transfers	51,350	11,618	14,249	23,968	4,411
Total	1,047,001	93,626	63,247	56,767	56,804
Segment income (loss)	40,577	3,664	(618)	6,709	9,938
Segment assets	547,646	48,613	19,886	34,973	167,746
Others					
Depreciation and amortization	30,452	1,564	829	3,488	1,513
Increases of property, plant and equipment and intangible assets	39,571	1,394	663	7,082	2,759

	Truck Maintenance	Other (Notes 1, 2)	Total	Reconciliation (Note 3)	Amount recorded in consolidated statements of income (Note 4)
Operating revenue					
Operating revenue from customers	19,696	4,975	1,236,520	—	1,236,520
Inter-segment operating revenue or transfers	25,366	51,309	182,274	(182,274)	—
Total	45,063	56,285	1,418,794	(182,274)	1,236,520
Segment income (loss)	2,133	19,862	82,269	(17,955)	64,314
Segment assets	19,954	10,154	848,975	50,387	899,363
Others					
Depreciation and amortization	958	746	39,553	29	39,582
Increases of property, plant and equipment and intangible assets	371	399	52,242	229	52,471

- Notes: 1. Other includes business-to-business distribution via JITBOX Charter, staffing services and shared services.  
2. Operating revenue in Other includes dividends which the Company received from Group companies as a pure holding company and the effect of this on operating revenue and segment income is 18,712 million yen.  
3. Adjustments made are as follows.  
  (1) The adjustment of (17,955 million yen) of segment income resulted from eliminating transactions among segments.  
  (2) The adjustment of 50,387 million yen of segment assets includes offsetting and elimination of assets among segments of (114,764 million yen) and group-wide assets of 165,152 million yen not allocated to each reportable segment.  
  (3) The adjustment of 229 million yen of increases of property, plant and equipment and intangible assets is our capital investment.  
4. We made an adjustment between segment income and operating income in the consolidated statements of income.

For the year ended March 31, 2012

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Operating revenue					
Operating revenue from customers	1,014,564	82,478	47,715	35,504	54,114
Inter-segment operating revenue or transfers	54,095	11,827	14,156	26,494	4,170
Total	1,068,660	94,305	61,871	61,998	58,285
Segment income (loss)	40,964	3,662	(43)	6,703	9,938
Segment assets	558,494	50,519	19,796	36,549	174,682
Others					
Depreciation and amortization	29,406	1,534	756	3,690	1,932
Increases of property, plant and equipment and intangible assets	35,653	1,385	594	3,353	3,609

	Truck Maintenance	Other (Notes 1, 2)	Total	Reconciliation (Note 3)	Amount recorded in consolidated statements of income (Note 4)
Operating revenue					
Operating revenue from customers	21,188	5,267	1,260,832	—	1,260,832
Inter-segment operating revenue or transfers	26,896	44,604	182,245	(182,245)	—
Total	48,084	49,872	1,443,078	(182,245)	1,260,832
Segment income (loss)	2,513	11,876	75,615	(8,965)	66,650
Segment assets	21,635	10,947	872,625	46,668	919,294
Others					
Depreciation and amortization	931	365	38,616	66	38,682
Increases of property, plant and equipment and intangible assets	1,208	147	45,952	2,662	48,614

- Notes:
1. Other includes business-to-business distribution via JITBOX Charter, staffing services and shared services.
  2. Operating revenue in Other includes dividends which the Company received from Group companies as a pure holding company and the effect of this on operating revenue and segment income is 10,218 million yen.
  3. Adjustments made are as follows.
    - (1) The adjustment of (8,965 million yen) of segment income resulted from eliminating transactions among segments.
    - (2) The adjustment of 46,668 million yen of segment assets includes offsetting and elimination of assets among segments of (119,763 million yen) and group-wide assets of 166,432 million yen not allocated to each reportable segment.
    - (3) The adjustment of 2,662 million yen of increases of property, plant and equipment and intangible assets is our capital investment.
  4. We made an adjustment between segment income and operating income in the consolidated statements of income.

2. Relevant information

For the year ended March 31, 2011

(1) Information by product and service

	(Millions of Yen)			
	Takkyubin	Kuroneko Mail	Other	Total
Operating revenue from customers	782,120	141,145	313,253	1,236,520

(2) Information by region

a. Operating revenue

				(Millions of Yen)
Japan	North America	Other	Total	
1,218,149	8,138	10,231	1,236,520	

b. Property, plant and equipment

				(Millions of Yen)
Japan	North America	Other	Total	
366,660	210	1,284	368,155	

(3) Information by major customer

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

For the year ended March 31, 2012

(1) Information by product and service

	(Millions of Yen)			
	Takkyubin	Kuroneko Mail	Other	Total
Operating revenue from customers	811,906	129,870	319,056	1,260,832

(2) Information by region

a. Operating revenue

				(Millions of Yen)
Japan	North America	Other	Total	
1,242,310	8,264	10,257	1,260,832	

b. Property, plant and equipment

				(Millions of Yen)
Japan	North America	Other	Total	
373,322	203	1,653	375,179	

(3) Information by major customer

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



3. Information regarding impairment losses of noncurrent assets by reportable segment

For the year ended March 31, 2011

Not applicable.

For the year ended March 31, 2012

Descriptions are omitted, as the monetary value is immaterial.

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

For the year ended March 31, 2011

(Millions of Yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Amortization for the current period	90	—	104	—	—
Balance as of the end of the current period	363	—	416	—	—

	Truck Maintenance	Other	Total	Eliminations or corporate	Consolidated
Amortization for the current period	—	—	194	—	194
Balance as of the end of the current period	—	—	779	—	779

For the year ended March 31, 2012

(Millions of Yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Amortization for the current period	90	—	104	—	—
Balance as of the end of the current period	272	—	312	—	—

	Truck Maintenance	Other	Total	Eliminations or corporate	Consolidated
Amortization for the current period	—	—	194	—	194
Balance as of the end of the current period	—	—	584	—	584

## (Tax Effect Accounting)

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

		<u>Fiscal 2011</u>	<u>Fiscal 2012</u>
			(Millions of yen)
Deferred tax assets (current assets)			
Provision for bonuses		11,874	11,156
Accrued legal welfare expenses		1,772	1,695
Accrued enterprise tax		1,903	1,628
Excess in provision of allowance for doubtful accounts		766	394
Other		2,285	3,037
Deferred tax assets (current assets)	Subtotal	18,602	17,911
Allowance for devaluation		—	(466)
Deferred tax assets (current assets)	Total	18,602	17,445
Deferred tax assets (noncurrent assets)			
Provision for retirement benefits		11,284	11,301
Loss on valuation of land		27,181	24,218
Impairment loss		4,101	3,715
Loss on valuation of investment securities		1,629	1,740
Unrealized income on noncurrent assets		1,415	1,521
Loss on valuation of telephone subscription right		615	546
Other		8,499	9,522
Deferred tax assets (noncurrent assets)	Subtotal	54,726	52,565
Allowance for devaluation		(35,389)	(32,853)
Deferred tax assets (noncurrent assets)	Total	19,337	19,712
Deferred tax liabilities (current liabilities)			
Other		(417)	(366)
Deferred tax liabilities (current liabilities)	Total	(417)	(366)
Deferred tax liabilities (noncurrent liabilities)			
Valuation difference on available-for-sale securities		(741)	(1,027)
Reserve for reduction entry		(275)	(239)
Other		(1,829)	(1,519)
Deferred tax liabilities (noncurrent liabilities)	Total	(2,846)	(2,785)
Net deferred tax assets		34,675	34,005

### 2. Breakdown of differences between the normal effective statutory tax rates and the actual effective tax rates

		<u>Fiscal 2011</u>	<u>Fiscal 2012</u>
Normal effective statutory tax rate		40.0 %	40.0 %
(Reconciliation)	Per capita levy of local taxes	4.4	5.9
	Allowance for devaluation	0.7	3.5
	Downward revision to deferred tax assets as of the end of the period due to the change in corporate tax rates	—	6.3
	Other	1.0	1.2
Actual effective tax rate		46.1	56.9

3. Revisions to amounts of deferred tax assets and deferred tax liabilities due to the change in corporate tax rates  
The “Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures” (Act No. 114 of 2011) and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No. 117 of 2011) were promulgated on December 2, 2011. In line with these changes, the effective statutory tax rate used to measure deferred tax assets and liabilities will be changed from 40.0% to 38.0% for temporary differences expected to be eliminated in the fiscal years beginning on or after April 1, 2012. The rate will be changed to 35.6% for the fiscal years beginning on or after April 1, 2015. As a result of this change, deferred tax assets (the amount after deduction of deferred tax liabilities) decreased by 3,013 million yen (of which 2,709 million yen is the effect of the change in tax rates) and income taxes increased by 3,205 million yen (of which 2,901 million yen is the effect of the change in tax rates).

### **(Financial Instruments)**

1. Matters concerning the status of financial instruments
  - (1) Policy on financial instruments  
To finance further business growth, the Yamato Group raises capital through bank loans and bond issuances based on a facilities investment scheme that includes the network development plan. One-time surplus funds are invested in safe financial assets. Derivative products are only used for hedging against variable interest rate risk, and no speculative transactions are undertaken.  
Some of the Group’s consolidated subsidiaries are engaged in businesses such as leasing and third-party credit sales.
  - (2) Features and risks of financial instruments and risk management structure  
Operating receivables such as notes and accounts receivable-trade and accounts receivable-installment carry credit risk of trading partners, and thus the Company manages and controls cash received, as well as outstanding receivables, for each period to identify the credit risk of each trading partner.  
Regarding investment securities, the Yamato Group mainly holds shares of companies with which the Group has business relationships or forms a capital alliance, and such shares involve the risk of stock price fluctuations.  
The majority of operating payables, such as notes and accounts payable-trade, are due within one year. With regard to loans payable, short-term loans payable are mainly used to raise capital for the Group’s financial business and long-term loans payable fund growth-driving programs such as network development. A Group consolidated subsidiary engaged in financial business has obtained loans with a variable interest rate and employs interest rate swaps for a portion of the loans to hedge interest rate risk associated with fundraising. Interest rate swap transactions are executed in conformity with the Group’s regulations for authorizing derivative transactions.  
Within the Yamato Group, each Group company controls liquidity risk associated with operating payables and loans by monitoring payments and settlements, bookkeeping, and balances, as well as managing cash positions.
  - (3) Supplemental remarks on the fair value of the financial instruments  
The fair value of financial instruments refers to their market value or value reasonably calculated based on certain assumptions if market value is not available. Therefore, the estimated fair value may vary with different assumptions.

## 2. Matters concerning fair value of financial instruments

For the year ended March 31, 2011

The table below shows the amounts recorded on the consolidated balance sheets as of March 31, 2011, their fair values, and differences between them. Some financial instruments are excluded because it is extremely difficult to identify their fair values (see Note 5).

(Millions of yen)

	Amount on the consolidated balance sheets	Fair value	Change
(1) Cash and deposits	209,177	209,177	—
(2) Notes and accounts receivable-trade	142,095		
Allowance for doubtful accounts	(142)		
	141,953	142,577	623
(3) Accounts receivable-installment	41,151		
Allowance for doubtful accounts	(2,725)		
Deferred installment income	[6,363]		
	32,062	37,958	5,895
(4) Investment securities			
Available-for-sale securities	17,060	17,060	—
(5) Notes and accounts payable-trade	[113,698]	[113,698]	—
(6) Short-term loans payable	[21,638]	[21,718]	79
(7) Long-term loans payable	[43,131]	[43,454]	323
(8) Derivatives	—	—	—

### Notes:

1. Items recognized as liabilities are shown in square parentheses [ ] both under Amount on the consolidated balance sheets and Fair value.
2. Notes and accounts receivable-trade are presented after deducting allowance for doubtful accounts set up for notes and accounts receivable-trade not to be settled in the short term.
3. Accounts receivable-installment is presented after deducting the relevant allowance for doubtful accounts and deferred installment income.
4. Method of calculating fair value of financial instruments and other matters concerning securities and derivatives
  - (1) Cash and deposits  
Because all deposits are short-term deposits and their fair values are approximately equal to their book values, fair value is the same as book value.
  - (2) Notes and accounts receivable-trade  
Because notes and accounts receivable-trade are usually settled in a short period and their fair values are approximately equal to their book values, fair value is the same as book value. Some notes and accounts receivable-trade are grouped by classification categories and computed on the basis of the present value of future cash flow discounted at a rate based on the yield of Japanese Government Bonds.
  - (3) Accounts receivable-installment  
The fair values of accounts receivable-installment are grouped by classification categories and computed on the basis of the present value of future cash flow discounted at the rate based on market interest rate.
  - (4) Investment securities  
The fair values of listed equity shares in investment securities are based on quoted market prices. For matters concerning securities according to the purpose for which they are held, please see the notes to "Securities."
  - (5) Notes and accounts payable-trade  
As most notes and accounts payable-trade are due within one year and their fair values are approximately equal to their book values, fair value is the same as book value.

- (6) Short-term loans payable and (7) Long-term loans payable  
The fair value of short-term loans payable, long-term loans payable, and long-term loans payable meeting the requirements of exceptional treatment for interest rate swaps and being treated together with interest swaps are computed on the basis of the total amount of principal and interest discounted at the interest rate applicable to new loans carrying the same conditions.
- (8) Derivatives
- Derivative transactions to which hedge accounting is not applied: Not applicable.
  - Derivative transactions to which hedge accounting is applied: The contract amount or amount equivalent to the principal set forth in the contract, as of the consolidated closing date, are as follows.

(Millions of yen)

Method of hedge accounting	Type of derivative transaction	Major hedged items	Contract amount, etc.		Fair value	Method of calculating fair value
				Over 1 year		
Exceptional treatment of interest rate swaps	Interest rate swaps Pay-fixed, receive-variable	Long-term loans payable	47,848	40,524	*	—

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

- It is extremely difficult to determine the fair values of unlisted securities (the amount recorded on consolidated balance sheets is 5,849 million yen) because they do not have quoted market prices and their future cash flow cannot be estimated. Therefore, they are excluded from (4) Investment securities/Available-for-sale securities.
- Scheduled redemption amounts after the consolidated closing date for monetary claims and securities with maturity period

(Millions of yen)

	Within 1 year	Over 1 year, within 5 years	Over 5 years
Cash and deposits	209,177	—	—
Notes and accounts receivable-trade	136,017	6,003	74
Accounts receivable-installment	23,428	17,480	242
Total	368,624	23,484	316

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

(Millions of yen)

	Within 1 year	Over 1 year, within 2 years	Over 2 years, within 3 years	Over 3 years, within 4 years	Over 4 years, within 5 years	Over 5 years
Bonds with subscription rights to shares	—	—	—	—	20,000	—
Long-term loans payable	13,008	12,131	14,000	17,000	—	—
Lease obligations	5,297	4,532	3,706	2,529	505	32
Total	18,305	16,663	17,706	19,529	20,505	32

For the year ended March 31, 2012

The table below shows the amounts recorded on the consolidated balance sheets as of March 31, 2012, their fair values, and differences between them. Some financial instruments are excluded because it is extremely difficult to identify their fair values (see Note 5).

(Millions of yen)

	Amount on the consolidated balance sheets	Fair value	Change
(1) Cash and deposits	209,179	209,179	—
(2) Notes and accounts receivable-trade	158,174		
Allowance for doubtful accounts	(79)		
	158,095	158,674	578
(3) Accounts receivable-installment	35,538		
Allowance for doubtful accounts	(1,560)		
Deferred installment income	[4,959]		
	29,018	33,688	4,669
(4) Investment securities			
Available-for-sale securities	17,504	17,504	—
(5) Notes and accounts payable-trade	[129,454]	[129,454]	—
(6) Short-term loans payable	[17,390]	[17,396]	5
(7) Long-term loans payable	[40,850]	[40,882]	32
(8) Derivatives	—	—	—

Notes:

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

(Millions of yen)

Method of hedge accounting	Type of derivative transaction	Major hedged items	Contract amount, etc.		Fair value	Method of calculating fair value
				Over 1 year		
Exceptional treatment of interest rate swaps	Interest rate swaps Pay-fixed, receive-variable	Long-term loans payable	49,074	37,550	*	—

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

5. It is extremely difficult to determine the fair values of unlisted securities (the amount recorded on consolidated balance sheets is 4,464 million yen) because they do not have quoted market prices and their future cash flow cannot be estimated. Therefore, they are excluded from (4) Investment securities/Available-for-sale securities.
6. Scheduled redemption amounts after the consolidated closing date for monetary claims and securities with maturity period

(Millions of yen)

	Within 1 year	Over 1 year, within 5 years	Over 5 years
Cash and deposits	209,179	—	—
Notes and accounts receivable-trade	151,663	6,462	48
Accounts receivable-installment	19,885	15,309	343
Total	380,728	21,772	391

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

(Millions of yen)

	Within 1 year	Over 1 year, within 2 years	Over 2 years, within 3 years	Over 3 years, within 4 years	Over 4 years, within 5 years	Over 5 years
Bonds with subscription rights to shares	—	—	—	20,000	—	—
Long-term loans payable	12,131	14,000	17,000	9,850	—	—
Lease obligations	4,950	4,439	3,784	1,073	282	8
Total	17,081	18,439	20,784	30,923	282	8

## (Securities)

For the year ended March 31, 2011

### 1. Available-for-sale securities

(Millions of yen)

		Amount on the consolidated balance sheets	Acquisition cost	Change
Those whose value recorded on the consolidated balance sheets exceeds the acquisition cost	(1) Stocks	11,037	8,155	2,882
	(2) Bonds	—	—	—
	(3) Other	—	—	—
	Total	11,037	8,155	2,882
Those whose value recorded on the consolidated balance sheets does not exceed the acquisition cost	(1) Stocks	6,022	6,643	(621)
	(2) Bonds	—	—	—
	(3) Other	—	—	—
	Total	6,022	6,643	(621)
Total		17,060	14,799	2,260

Note: It is extremely difficult to determine the fair values of unlisted securities (the amount recorded on consolidated balance sheets is 5,849 million yen) because they do not have quoted market prices. Therefore, they are excluded from the above table of "Available-for-sale securities."

### 2. Available-for-sale securities sold during the year ended March 31, 2011

(Millions of yen)

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

### 3. Securities on which impairment losses were recognized

For the fiscal year under review, the Company recognized impairment losses of 88 million yen on securities. The Company recognizes impairment losses on all listed shares if their market value is no more than 70% of the book value as of the end of the fiscal year. We recognize impairment losses on other securities in the amount considered necessary if their actual value as of the end of the fiscal year dropped by 30% or more compared to their book value, taking into account the possibility of collection, etc.



For the year ended March 31, 2012

1. Available-for-sale securities

(Millions of yen)

		Amount on the consolidated balance sheets	Acquisition cost	Change
Those whose value recorded on the consolidated balance sheets exceeds the acquisition cost	(1) Stocks	14,936	10,654	4,282
	(2) Bonds	—	—	—
	(3) Other	—	—	—
	Total	14,936	10,654	4,282
Those whose value recorded on the consolidated balance sheets does not exceed the acquisition cost	(1) Stocks	2,567	2,766	(199)
	(2) Bonds	—	—	—
	(3) Other	—	—	—
	Total	2,567	2,766	(199)
Total		17,504	13,421	4,083

Note: It is extremely difficult to determine the fair values of unlisted securities (the amount recorded on consolidated balance sheets is 4,464 million yen) because they do not have quoted market prices. Therefore, they are excluded from the above table of "Available-for-sale securities."

2. Available-for-sale securities sold during the year ended March 31, 2012

(Millions of yen)

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

3. Securities on which impairment losses were recognized

For the fiscal year under review, the Company recognized impairment losses of 1,981 million yen on securities. The Company recognizes impairment losses on all listed shares if their market value is no more than 70% of the book value as of the end of the fiscal year. We recognize impairment losses on other securities in the amount considered necessary if their actual value as of the end of the fiscal year dropped by 30% or more compared to their book value, taking into account the possibility of collection, etc.

## (Retirement Benefit)

### 1. Outline of retirement benefit plan

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

Certain consolidated subsidiaries adopt a defined contribution retirement and cooperative welfare pension fund systems. Cooperative welfare pension fund offers exceptional treatment provided for in Paragraph 33 of the Practical Guidelines for Retirement Benefit Accounting applies.

Note that some of the consolidated subsidiaries have abolished the tax-qualified pension plan as of the fiscal year under review and introduced the same retirement benefit plan adopted by the Company.

### 2. Retirement benefit obligations

	<u>Fiscal 2011</u>	<u>Fiscal 2012</u>
a. Retirement benefit obligations	(90,394)	(97,900)
b. Pension assets	57,873	58,358
c. Unfunded retirement benefit obligations (a + b)	(32,521)	(39,541)
d. Unrecognized actuarial difference	4,379	8,026
e. Net amount on consolidated balance sheets (c + d)	(28,141)	(31,515)
f. Prepaid pension cost	328	218
g. Provision for retirement benefits (e - f)	(28,470)	(31,733)

#### Fiscal 2011

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

#### Fiscal 2012

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

### 3. Retirement benefit expenses

	<u>Fiscal 2011</u>	<u>Fiscal 2012</u>
a. Service cost	5,256	5,452
b. Interest cost	1,728	1,785
c. Recognized actuarial difference	(1,268)	2,006
d. Recognized prior service cost	555	—
e. Retirement benefit expenses (a + b + c + d)	6,273	9,245

#### Fiscal 2011

Notes:

1. In addition to the above retirement benefit expenses, 2,044 million yen is booked as retirement benefit expenses for defined contribution retirement plan, etc.
2. Employee contribution to contributory trusted pension plan is deducted.
3. Retirement benefit expenses of consolidated subsidiaries using a simplified method are included in "a. Service cost."

#### Fiscal 2012

Notes:

1. In addition to the above retirement benefit expenses, 2,036 million yen is booked as retirement benefit expenses for defined contribution retirement plans, etc. and 4,443 million yen is booked for retirement benefits related to the extension of the retirement age. The impact of the abolition of the tax-qualified pension plan is minimal.
2. Employee contribution to contributory trusted pension plan is deducted.
3. Retirement benefit expenses of consolidated subsidiaries using a simplified method are included in "a. Service cost."

4. Basis for calculating retirement benefit obligations, etc.

	<u>Fiscal 2011</u>	<u>Fiscal 2012</u>
a. Periodic allocation method for projected retirement benefits	Straight-line standards	Straight-line standards
b. Discount rate	2.0%	2.0%
c. Expected rate of return	0.0%	0.0%
d. Amortization period of prior service cost	1 year	1 year
e. Recognition period of actuarial difference	5 years	5 years
	(Actuarial differences are to be charged to expenses from the following fiscal year using a straight-line method based on determined years within average remaining service years of the employees when occurred.)	(Actuarial differences are to be charged to expenses from the following fiscal year using a straight-line method based on determined years within average remaining service years of the employees when occurred.)

**(Per Share Information)**

	<u>Fiscal 2011</u>	<u>Fiscal 2012</u>
Net assets per share	1,173.60 yen	1,197.26 yen
Net income per share	73.42 yen	46.00 yen
Net income per share - fully diluted	73.30 yen	44.87 yen

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

	Fiscal 2011	Fiscal 2012
Net income per share		
Net income	33,207 million yen	19,786 million yen
Amount not belonging to ordinary shareholders	— million yen	— million yen
Net income concerning common stock	33,207 million yen	19,786 million yen
Average number of shares during the period	452,306 thousand shares	430,181 thousand shares
Net income per share - fully diluted		
Adjustments in net income	— million yen	— million yen
Increase in number of common shares	710 thousand shares	10,810 thousand shares
(Subscription rights to shares)	(710 thousand shares)	(10,810 thousand shares)
Potential shares that have no dilutive effects and thus are not included in the calculation of "net income per share - fully diluted."	—	—

**(Important Subsequent Matters)**

Not applicable.

**(Other Notes, etc.)**

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

## 5. Others

### Operating revenue by business

(Millions of yen)

Business segment		Fiscal year ended March 31, 2011	Ratio	Fiscal year ended March 31, 2012	Ratio	Change
			%		%	%
Delivery	Takkyubin	821,293	66.4	854,409	67.8	4.0
	Kuroneko Mail	147,890	11.9	136,170	10.8	(7.9)
	Express	45,460	3.7	43,585	3.5	(4.1)
	Others	64,054	5.2	65,796	5.2	2.7
	Eliminations	(83,047)	(6.7)	(85,397)	(6.8)	2.8
	Total	995,651	80.5	1,014,564	80.5	1.9
BIZ-Logistics	Trading logistics service	34,057	2.8	34,147	2.7	0.3
	Retail logistics service	27,639	2.2	28,123	2.2	1.7
	Multi maintenance	10,203	0.8	9,517	0.8	(6.7)
	Export Factory	3,929	0.3	4,001	0.3	1.8
	Others	32,280	2.6	33,329	2.6	3.3
	Eliminations	(26,102)	(2.1)	(26,640)	(2.1)	2.1
	Total	82,007	6.6	82,478	6.5	0.6
Home Convenience	Delivery & installation	21,245	1.7	19,354	1.5	(8.9)
	Moving solution	24,868	2.0	25,991	2.1	4.5
	Merchandise distribution	17,149	1.4	16,546	1.3	(3.5)
	Eliminations	(14,266)	(1.1)	(14,178)	(1.1)	(0.6)
	Total	48,997	4.0	47,715	3.8	(2.6)
e-Business	e-logistics solution	8,972	0.7	9,641	0.8	7.5
	Credit card solution	6,384	0.5	7,177	0.6	12.4
	IT operating solution	4,402	0.4	4,406	0.3	0.1
	Web-based mail order solution	6,682	0.5	7,006	0.5	4.9
	Others	35,290	2.9	37,584	3.0	6.5
	Eliminations	(28,933)	(2.3)	(30,311)	(2.4)	4.8
	Total	32,798	2.7	35,504	2.8	8.2
Financial	Takkyubin Collect	34,152	2.8	35,505	2.8	4.0
	Lease	16,339	1.3	17,520	1.4	7.2
	Shopping credit	5,118	0.4	4,007	0.3	(21.7)
	Others	1,263	0.1	1,328	0.1	5.2
	Eliminations	(4,481)	(0.4)	(4,247)	(0.3)	(5.2)
	Total	52,392	4.2	54,114	4.3	3.3
Truck Maintenance	Truck maintenance	42,486	3.4	45,082	3.6	6.1
	Others	4,896	0.4	5,202	0.4	6.3
	Eliminations	(27,685)	(2.2)	(29,097)	(2.3)	5.1
	Total	19,696	1.6	21,188	1.7	7.6
Other	JITBOX Charter service	2,733	0.2	3,046	0.2	11.4
	Others	54,685	4.4	47,986	3.8	(12.3)
	Eliminations	(52,443)	(4.2)	(45,764)	(3.6)	(12.7)
	Total	4,975	0.4	5,267	0.4	5.9
Total		1,236,520	100.0	1,260,832	100.0	2.0

## 6. Non-Consolidated Financial Statements

### (1) Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	138,959	144,851
Supplies	3	0
Prepaid expenses	28	90
Deferred tax assets	331	258
Short-term loans receivable	21,034	15,921
Income taxes receivable	3,871	2,148
Other	2,368	11
Total current assets	166,597	163,281
Noncurrent assets		
Property, plant and equipment		
Vehicles	37	52
Accumulated depreciation	(33)	(35)
Vehicles, net	4	16
Buildings	2	2
Accumulated depreciation	(1)	(1)
Buildings, net	0	0
Tools, furniture and fixtures	53	243
Accumulated depreciation	(48)	(66)
Tools, furniture and fixtures, net	4	177
Construction in progress	—	1,296
Total property, plant and equipment	10	1,491
Intangible assets		
Software	42	824
Other	204	319
Total intangible assets	246	1,143
Investments and other assets		
Investment securities	14,295	14,287
Stocks of subsidiaries and affiliates	291,736	293,026
Long-term loans receivable	711	694
Long-term loans receivable from subsidiaries and affiliates	22,292	6,865
Deferred tax assets	939	173
Other	78	97
Allowance for investment loss	(652)	(559)
Total investments and other assets	329,401	314,585
Total noncurrent assets	329,657	317,221
Total assets	496,255	480,502

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	272	171
Short-term loans payable	6,828	5,951
Income taxes payable	39	34
Accrued expenses	29	35
Deposits received	31	19
Deposits received from subsidiaries and affiliates	67,366	69,042
Provision for bonuses	38	39
Other	163	86
Total current liabilities	74,769	75,381
Noncurrent liabilities		
Bonds with subscription rights to shares	20,000	20,000
Long-term loans payable	5,951	—
Provision for retirement benefits	58	67
Total noncurrent liabilities	26,009	20,067
Total liabilities	100,779	95,449
<b>Net assets</b>		
Shareholders' equity		
Capital stock	127,234	127,234
Capital surplus		
Legal capital surplus	36,822	36,822
Other capital surplus	84,492	84,492
Total capital surplus	121,314	121,314
Retained earnings		
Other retained earnings		
General reserve	164,965	174,965
Retained earnings brought forward	25,428	15,505
Total retained earnings	190,393	190,471
Treasury stock	(44,630)	(56,514)
Total shareholders' equity	394,312	382,505
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,163	2,547
Total valuation and translation adjustments	1,163	2,547
Total net assets	395,476	385,053
Total liabilities and net assets	496,255	480,502

**(2) Non-consolidated statements of income**

(Millions of yen)

	For the year ended March 31, 2011	For the year ended March 31, 2012
Operating revenue	21,927	14,172
Selling, general and administrative expenses		
Personnel expenses	896	1,206
Provision for bonuses	38	39
Provision for retirement benefits	15	12
Traveling expenses	120	210
Advertising expenses	335	518
Commission fee	546	586
Computer cost	116	216
Depreciation	31	69
Other	259	280
Total selling, general and administrative expenses	2,305	3,088
Operating income	19,621	11,083
Non-operating income		
Interest income	627	416
Dividends income	385	400
Other	40	149
Total non-operating income	1,054	966
Non-operating expenses		
Interest expenses	261	161
Bond issuance cost	115	—
Other	16	5
Total non-operating expenses	394	166
Ordinary income	20,281	11,882
Extraordinary income		
Reversal of allowance for investment loss	91	—
Total extraordinary income	91	—
Extraordinary loss		
Loss on retirement of noncurrent assets	0	—
Loss on valuation of investment securities	80	1,818
Total extraordinary losses	81	1,818
Income before income taxes	20,291	10,064
Income taxes-current	9	10
Income taxes-deferred	(8)	412
Total income taxes	1	422
Net income	20,290	9,641



**(3) Non-consolidated statements of changes in net assets**

(Millions of yen)

	For the year ended March 31, 2011	For the year ended March 31, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	127,234	127,234
Balance at the end of current period	127,234	127,234
Capital surplus		
Legal capital surplus		
Balance at the beginning of current period	36,822	36,822
Balance at the end of current period	36,822	36,822
Other capital surplus		
Balance at the beginning of current period	84,492	84,492
Changes of items during the period		
Disposal of treasury stock	(0)	(0)
Total changes of items during the period	(0)	(0)
Balance at the end of current period	84,492	84,492
Total capital surplus		
Balance at the beginning of current period	121,315	121,314
Changes of items during the period		
Disposal of treasury stock	(0)	(0)
Total changes of items during the period	(0)	(0)
Balance at the end of current period	121,314	121,314
Retained earnings		
Other retained earnings		
General reserve		
Balance at the beginning of current period	156,965	164,965
Changes of items during the period		
Provision of general reserve	8,000	10,000
Total changes of items during the period	8,000	10,000
Balance at the end of current period	164,965	174,965
Retained earnings brought forward		
Balance at the beginning of current period	23,120	25,428
Changes of items during the period		
Dividends from surplus	(9,982)	(9,564)
Net income	20,290	9,641
Provision of general reserve	(8,000)	(10,000)
Total changes of items during the period	2,307	(9,922)
Balance at the end of current period	25,428	15,505
Total retained earnings		
Balance at the beginning of current period	180,086	190,393
Changes of items during the period		
Dividends from surplus	(9,982)	(9,564)
Net income	20,290	9,641
Provision of general reserve	—	—
Total changes of items during the period	10,307	77
Balance at the end of current period	190,393	190,471

(Millions of yen)

	For the year ended March 31, 2011	For the year ended March 31, 2012
Treasury stock		
Balance at the beginning of current period	(26,505)	(44,630)
Changes of items during the period		
Purchase of treasury stock	(18,126)	(11,884)
Disposal of treasury stock	2	0
Total changes of items during the period	(18,124)	(11,884)
Balance at the end of current period	(44,630)	(56,514)
Total shareholders' equity		
Balance at the beginning of current period	402,130	394,312
Changes of items during the period		
Dividends from surplus	(9,982)	(9,564)
Net income	20,290	9,641
Purchase of treasury stock	(18,126)	(11,884)
Disposal of treasury stock	1	0
Total changes of items during the period	(7,818)	(11,807)
Balance at the end of current period	394,312	382,505
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	2,732	1,163
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,569)	1,384
Total changes of items during the period	(1,569)	1,384
Balance at the end of current period	1,163	2,547
Total valuation and translation adjustments		
Balance at the beginning of current period	2,732	1,163
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,569)	1,384
Total changes of items during the period	(1,569)	1,384
Balance at the end of current period	1,163	2,547
Total net assets		
Balance at the beginning of current period	404,863	395,476
Changes of items during the period		
Dividends from surplus	(9,982)	(9,564)
Net income	20,290	9,641
Purchase of treasury stock	(18,126)	(11,884)
Disposal of treasury stock	1	0
Net changes of items other than shareholders' equity	(1,569)	1,384
Total changes of items during the period	(9,387)	(10,422)
Balance at the end of current period	395,476	385,053