Yamato Holdings Co., Ltd. and Consolidated Subsidiaries

Consolidated Financial Statements for the Year Ended March 31, 2026, and Independent Auditor's Report

Yamato Holdings Co., Ltd. and Consolidated Subsidiaries

Consolidated Balance Sheet
March 31, 2026

ASSETS	Millions of Yen 2026	Millions of Yen 2025	Thousands of U.S. Dollars (Note 1) 2026
CURRENT ASSETS:			
Cash and cash equivalents (Notes 2.f and 15)	¥ 238,813	¥ 208,654	$ 1,493,699
Notes and accounts receivable, and contract assets (Notes 15 and 16):			
Trade	223,915	219,763	1,400,519
Installment (Note 5)	60,299	56,416	377,154
Allowance for doubtful accounts	(1,443)	(1,506)	(9,023)
Inventories (Note 6)	2,553	3,399	15,967
Prepaid expenses and other current assets	32,057	34,434	200,502
Total current assets	556,194	521,160	3,478,818
PROPERTY, PLANT AND EQUIPMENT—At cost:			
Land	167,226	177,705	1,045,944
Buildings and structures	412,456	417,201	2,579,787
Vehicles	166,017	183,307	1,038,387
Machinery and equipment	135,439	136,593	847,130
Leased assets (Note 14)	75,465	59,428	472,011
Construction in progress	10,573	12,293	66,132
Others	11,367	7,760	71,095
Total	978,543	994,287	6,120,486
Accumulated depreciation	(509,387)	(519,933)	(3,186,058)
Net property, plant and equipment	469,156	474,354	2,934,428
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 7 and 15)	43,971	34,896	275,028
Investments in and advances to unconsolidated subsidiaries and affiliates, net of valuation allowance of ¥64 million ($400 thousand) in 2026 and ¥60 million in 2025 (Note 15)	8,237	14,529	51,517
Long-term loans	2,608	2,341	16,311
Goodwill	921	15,827	5,760
Software	31,088	33,133	194,445
Customer-related intangible assets	24,656	25,853	154,218
Lease deposits	30,741	31,510	192,277
Asset for employees' retirement benefits (Notes 2.m and 10)	47,391	47,030	296,419
Deferred tax assets (Note 13)	54,197	57,203	338,987
Other assets	11,011	9,592	68,865
Total investments and other assets	254,821	271,914	1,593,827
TOTAL	¥ 1,280,171	¥ 1,267,428	$ 8,007,073

LIABILITIES AND EQUITY	Millions of Yen 2026	Millions of Yen 2025	Thousands of U.S. Dollars (Note 1) 2026
CURRENT LIABILITIES:			
Short-term bank loans (Notes 9 and 15)	¥ 15,270	¥ 11,800	$ 95,509
Current portion of long-term debt (Notes 9 and 15)	13,880	9,721	86,818
Notes and accounts payable:			
Trade	175,893	173,474	1,100,159
Other	11,029	21,418	68,984
Income taxes payable	8,859	14,969	55,408
Accrued expenses	73,334	72,578	458,681
Deferred profit on installment sales (Notes 5 and 15)	6,321	5,669	39,536
Other current liabilities (Notes 11 and 15)	54,353	45,011	339,955
Total current liabilities	358,939	354,640	2,245,050
LONG-TERM LIABILITIES:			
Long-term debt (Notes 9 and 15)	166,765	152,275	1,043,064
Liability for employees' retirement benefits (Notes 2.m and 10)	129,186	128,589	808,019
Deferred tax liabilities (Note 13)	3,451	2,180	21,586
Provision for special repairs (Note 2.l)	7,627	3,277	47,704
Asset retirement obligations (Note 11)	16,799	12,156	105,071
Other long-term liabilities	15,347	13,960	95,989
Total long-term liabilities	339,175	312,437	2,121,433
COMMITMENTS LIABILITIES (Note 14)			
EQUITY (Notes 12 and 22):			
Common stock—authorized, 1,787,541,000 shares in 2026 and 2025; issued, 360,496,492 shares in 2026 and 2025	127,235	127,235	795,814
Capital surplus	36,849	36,849	230,481
Retained earnings	470,256	470,183	2,941,308
Treasury stock—at cost, 43,819,931 shares in 2026 and 34,311,351 shares in 2025	(92,822)	(73,913)	(580,571)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	13,319	8,250	83,303
Foreign currency translation adjustments	4,766	4,215	29,811
Remeasurements of defined employees' retirement benefit plans (Notes 2.m and 10)	11,430	16,440	71,492
Total	571,033	589,259	3,571,638
Non-controlling interests	11,024	11,092	68,952
Total equity	582,057	600,351	3,640,590
TOTAL	¥ 1,280,171	¥ 1,267,428	$ 8,007,073

See notes to consolidated financial statements.

Yamato Holdings Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Income
Year Ended March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
OPERATING REVENUES (Note 16)	¥ 1,865,675	¥ 1,762,696	$ 11,669,223
OPERATING COSTS AND EXPENSES:			
Operating costs	1,776,935	1,692,669	11,114,181
Selling, general and administrative expenses	60,435	55,821	378,004
Total operating costs and expenses	1,837,370	1,748,490	11,492,185
Operating profit	28,305	14,206	177,038
OTHER INCOME (EXPENSES):			
Interest and dividend income	1,870	1,762	11,698
Interest expense	(2,484)	(1,605)	(15,534)
(Loss) gain on foreign exchange	(1,559)	232	(9,751)
Gain on sales and disposal of property, plant and equipment—net	16,438	23,271	102,813
Loss on impairment of long-lived assets (Note 8)	(1,226)	(632)	(7,668)
Gain on sales of investment securities—net (Note 7)	2,457	14,703	15,369
Gain (loss) on sales of shares of subsidiaries and affiliates—net	209	(47)	1,305
Loss on valuation of investment securities (Note 7)	(305)	(849)	(1,910)
(Loss) gain on investments in investment partnerships	(620)	2,514	(3,877)
Share of loss of entities accounted for using equity method	(2,526)	(371)	(15,801)
Provision of allowance for doubtful accounts in unconsolidated subsidiaries and affiliates		(93)	
Green Innovation Fund Project subsidies	937	643	5,859
Amortization of goodwill (Note 2.k)	(13,434)		(84,026)
Head office relocation expenses		(744)	
Other—net	1,792	1,801	11,215
Other income —net	1,549	40,585	9,692
PROFIT BEFORE INCOME TAXES	29,854	54,791	186,730
INCOME TAXES (Note 13):			
Current	11,340	17,254	70,931
Deferred	4,800	(819)	30,022
Total income taxes	16,140	16,435	100,953
PROFIT	13,714	38,356	85,777
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	52	418	325
PROFIT ATTRIBUTABLE TO OWNERS OF PARENT	¥ 13,662	¥ 37,938	$ 85,452

(Continued)

Yamato Holdings Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Income
Year Ended March 31, 2026

	Yen		U.S. Dollars (Note 1)
	2026	2025	2026
PER SHARE OF COMMON STOCK (Notes 2.s and 18):			
Basic earnings	¥ 43.07	¥ 111.87	$ 0.27
Cash dividends applicable to the year	46.00	46.00	0.29

See notes to consolidated financial statements.

(Concluded)

Yamato Holdings Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Comprehensive Income
Year Ended March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
PROFIT	¥ 13,714	¥ 38,356	$ 85,777
OTHER COMPREHENSIVE INCOME (Note 17):			
Unrealized gain (loss) on available-for-sale securities	5,143	(6,352)	32,167
Foreign currency translation adjustments	1,636	1,324	10,230
Remeasurements of defined employees' retirement benefit plans	(4,986)	17,377	(31,186)
Share of other comprehensive income of entities accounted for using equity method	(32)	(97)	(199)
Total other comprehensive income	1,761	12,252	11,012
COMPREHENSIVE INCOME	¥ 15,475	¥ 50,608	$ 96,789
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of parent	¥ 15,344	¥ 50,420	$ 95,973
Non-controlling interests	131	188	816

See notes to consolidated financial statements.

Yamato Holdings Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Changes in Equity
Year Ended March 31, 2026

	Thousands	Millions of Yen									
						Accumulated Other Comprehensive Income					
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Remeasurements of Defined Employees' Retirement Benefit Plans	Total	Non-controlling Interests	Total Equity
BALANCE, MARCH 31, 2024	342,948	¥ 127,235	¥ 36,839	¥ 448,110	¥ (42,850)	¥ 14,354	¥ 2,908	¥ (840)	¥ 585,756	¥ 6,225	¥ 591,981
Profit attributable to owners of parent				37,938					37,938		37,938
Cash dividends, ¥46 per share				(15,798)					(15,798)		(15,798)
Purchase of treasury stock	(16,771)				(31,087)				(31,087)		(31,087)
Disposal of treasury stock	8				24				24		24
Change in scope of consolidation			(7)						(7)		(7)
Change in equity related to transaction with non-controlling shareholders			17						17		17
Change due to changes in accounting period of consolidated subsidiaries (Note 2.a)				(67)					(67)		(67)
Net change in the year						(6,104)	1,307	17,280	12,483	4,867	17,350
BALANCE, MARCH 31, 2025	326,185	127,235	36,849	470,183	(73,913)	8,250	4,215	16,440	589,259	11,092	600,351
Profit attributable to owners of parent				13,662					13,662		13,662
Cash dividends, ¥46 per share				(14,807)					(14,807)		(14,807)
Purchase of treasury stock	(9,511)				(18,916)				(18,916)		(18,916)
Disposal of treasury stock	3				7				7		7
Change in scope of equity method				1,218					1,218		1,218
Net change in the year						5,069	551	(5,010)	610	(68)	542
BALANCE, MARCH 31, 2026	316,677	¥ 127,235	¥ 36,849	¥ 470,256	¥ (92,822)	¥ 13,319	¥ 4,766	¥ 11,430	¥ 571,033	¥ 11,024	¥ 582,057

	Thousands of U.S. Dollars (Note 1)									
					Accumulated Other Comprehensive Income					
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Remeasurements of Defined Employees' Retirement Benefit Plans	Total	Non-controlling Interests	Total Equity
BALANCE, MARCH 31, 2025	$ 795,814	$ 230,481	$ 2,940,852	$ (462,305)	$ 51,599	$ 26,366	$ 102,828	$ 3,685,635	$ 69,374	$ 3,755,009
Profit attributable to owners of parent			85,452					85,452		85,452
Cash dividends, $0.29 per share			(92,616)					(92,616)		(92,616)
Purchase of treasury stock				(118,313)				(118,313)		(118,313)
Disposal of treasury stock				47				47		47
Change in scope of equity method			7,620					7,620		7,620
Net change in the year					31,704	3,445	(31,336)	3,813	(422)	3,391
BALANCE, MARCH 31, 2026	$ 795,814	$ 230,481	$ 2,941,308	$ (580,571)	$ 83,303	$ 29,811	$ 71,492	$ 3,571,638	$ 68,952	$ 3,640,590

See notes to consolidated financial statements.

Yamato Holdings Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Cash Flows
Year Ended March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
OPERATING ACTIVITIES:			
Profit before income taxes	¥ 29,854	¥ 54,791	$ 186,730
Adjustments for:			
Income taxes—paid	(18,796)	(3,885)	(117,562)
Depreciation and amortization	68,194	49,048	426,531
Gain on sales and disposal of property, plant and equipment—net	(16,438)	(23,271)	(102,813)
Loss on impairment of long-lived assets	1,226	632	7,668
Gain on sales of investment securities—net	(2,457)	(14,703)	(15,369)
(Gain) loss on sales of shares of subsidiaries and affiliates－net	(209)	47	(1,305)
Loss on valuation of investment securities	305	849	1,910
Share of loss of entities accounted for using equity method	2,526	371	15,801
Changes in assets and liabilities, net of effects from previously consolidated subsidiaries:			
Increase in notes and accounts receivable	(7,539)	(6,033)	(47,153)
Decrease (increase) in inventories	852	(1,397)	5,331
Increase in notes and accounts payable	1,562	3,764	9,768
(Decrease) increase in liability for employees' retirement benefits	(799)	3,836	(5,000)
Other—net	13,937	(16,316)	87,165
Total adjustments	42,364	(7,058)	264,972
Net cash provided by operating activities	72,218	47,733	451,702
INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment	41,577	51,352	260,053
Purchases of property, plant and equipment	(37,598)	(54,992)	(235,166)
Proceeds from sales of investment securities	3,197	15,768	19,996
Purchases of investment securities	(899)	(4,884)	(5,622)
Proceeds from (payment for) investments in and advances to unconsolidated subsidiaries and affiliates－net	1,232	(2,875)	7,708
Payment for purchases of shares of subsidiaries resulting in change in scope of consolidation (Note 21)		(35,308)	
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation (Note 21)		216	
Collection of loans	1,723	1,232	10,775
Payment of loans	(1,893)	(1,105)	(11,839)
Other	(14,609)	(13,761)	(91,380)
Net cash used in investing activities	(7,270)	(44,357)	(45,475)
FORWARD	¥ 64,948	¥ 3,376	$ 406,227

(Continued)

Yamato Holdings Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Cash Flows
Year Ended March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
FORWARD	¥ 64,948	¥ 3,376	$ 406,227
FINANCING ACTIVITIES:			
Repayments of short-term debt—net	(4,450)	(4,777)	(27,831)
Proceeds from long-term debt	3,830	61,617	23,954
Repayments of long-term debt	(2,526)	(922)	(15,796)
Dividends paid	(15,015)	(15,879)	(93,911)
Purchase of treasury stock—net	(18,925)	(31,103)	(118,370)
Other	13	485	73
Net cash (used in) provided by financing activities	(37,073)	9,421	(231,881)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	1,891	100	11,828
NET INCREASE IN CASH AND CASH EQUIVALENTS	29,766	12,897	186,174
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	208,057	194,702	1,301,333
INCREASE IN CASH AND CASH EQUIVALENTS FROM THE CHANGE IN FISCAL PERIOD-END OF CONSOLIDATED SUBSIDIARIES (Note 2.a)		458	
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 2.f)	¥ 237,823	¥ 208,057	$ 1,487,507
NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Newly recorded assets related to lease transactions	¥ 23,719	¥ 10,871	$ 148,354
Newly recorded liabilities related to lease transactions	26,063	12,657	163,016

See notes to consolidated financial statements.

(Concluded)

1. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications and rearrangements have been made in the 2025 consolidated financial statements to conform them to the classifications and presentations used in 2026.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Yamato Holdings Co., Ltd. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥159.88 to $1, the approximate rate of exchange at March 31, 2026. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***a. Consolidation*—**The consolidated financial statements as of March 31, 2026, include the accounts of the Company and its 31 (32 in 2025) significant subsidiaries (together, the "Group").

Effective from the fiscal year ended March 31, 2026, YAMATO INVESTMENT (HONG KONG) LIMITED has been excluded from the scope of consolidation due to its liquidation.

Under the control and influence concepts, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

The unconsolidated subsidiaries, whose combined assets, net sales, profit and retained earnings in the aggregate are not significant to the consolidated financial statements, have not been consolidated with the Company.

There were 5 (41 in 2025) affiliates accounted for by the equity method.

Effective from the fiscal year ended March 31, 2026, GDEX BHD. and its 34 subsidiaries and other entities have been excluded from the scope of the equity method due to the partial transfer of shares.

Investments in the unconsolidated subsidiaries and several affiliates not accounted for by equity method are stated at cost, less a valuation allowance representing possible losses on the investments that are deemed to be other than temporary. If the equity method of accounting had been applied to the investments in such companies, the effect on the accompanying consolidated financial statements would not be material.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is also eliminated.

Among the consolidated subsidiaries, the fiscal year-ends for YAMATO TRANSPORT U.S.A., 8 other entities, and IS Tosu Development Ⅱ TMK are December 31 and June 30, respectively. Their financial statements are based on a provisional settlement of accounts, prepared in a manner similar to the year-end closing procedures, as of the consolidated closing date.

Effective from the fiscal year ended March 31, 2026, the fiscal year-end for Nakano Shokai Co., Ltd. was changed from September 30 to March 31 to align with the consolidated fiscal year-end.

b. ***Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements—***Under Accounting Standards Board of Japan ("ASBJ") Practical Issues Task Force ("PITF") No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements," the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements. However, financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States of America tentatively may be used for the consolidation process, except for the following items that should be adjusted in the consolidation process so that profit is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (c) expensing capitalized development costs of R&D; (d) cancellation of the fair value model accounting for property, plant and equipment and investment properties and incorporation of the cost model accounting; and (e) recording a gain or loss through profit or loss on the sale of an investment in an equity instrument for the difference between the acquisition cost and selling price, and recording impairment loss through profit or loss for other-than-temporary declines in the fair value of an investment in an equity instrument, where a foreign subsidiary elects to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument.

c. ***Unification of Accounting Policies Applied to Foreign Affiliated Companies for the Equity Method***—ASBJ Statement No. 16, "Accounting Standard for Equity Method of Accounting for Investments," requires adjustments to be made to conform the affiliate's accounting policies for similar transactions and events under similar circumstances to those of the parent company when the affiliate's financial statements are used in applying the equity method, unless it is impracticable to determine such adjustments. In addition, financial statements prepared by foreign affiliated companies in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States of America tentatively may be used in applying the equity method if the following items are adjusted so that profit is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (c) expensing capitalized development costs of R&D; (d) cancellation of the fair value model accounting for property, plant and equipment and investment properties and incorporation of the cost model accounting; and (e) recording a gain or loss through profit or loss on the sale of an investment in an equity instrument for the difference between the acquisition cost and selling price, and recording impairment loss through profit or loss for other-than-temporary declines in the fair value of an investment in an equity instrument, where a foreign affiliate elects to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument.

d. ***Business Combinations***—Business combinations are accounted for using the purchase method. Acquisition-related costs, such as advisory fees or professional fees, are accounted for as expenses in the periods in which the costs are incurred. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer is required to report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, which is not required to exceed one year from the acquisition, the acquirer is required to retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and that would have affected the measurement of the amounts recognized as of that date. Such adjustments are required to be recognized as if the accounting for the business combination had been completed at the acquisition date. The excess of the consideration transferred over the net of the identifiable assets acquired and liabilities assumed is recognized as goodwill. While, any excess of the net of the identifiable assets acquired and liabilities assumed over the consideration transferred is immediately recognized as bargain purchase gain. A parent's ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of noncontrolling interest is adjusted to reflect the change in the parent's ownership interest in its subsidiary while the parent retains its controlling interest in its subsidiary. Any difference between the fair value of the consideration received or paid and the amount by which the noncontrolling interest is adjusted is accounted for as capital surplus as long as the parent retains control over its subsidiary.

e. **Revenue Recognition—** Principal performance obligations in the principal businesses relating to revenues recognized from contracts with customers in the Group and the normal timing of satisfaction of performance obligation (the normal timing of recognizing revenues) are as follows:

(1) Express Business
Express Business mainly provides small-parcel delivery services such as TA-Q-BIN. In this service, the Group provides a service to collect and deliver cargoes at the customer's request based on a contract with the customer, and revenue from this service is recognized in accordance with satisfaction of performance obligations measured by the progress of delivery. This is due to the fact that the other companies are not required to perform the transportation process that has already been performed, even if delivery to the designated delivery destination cannot be completed.

(2) Contract Logistics Business and Global Business
Contract Logistics Business and Global Business provide logistics support services, such as cargo storage, inbound and outbound shipments, and customs clearance, in order to deliver value across their customers' entire supply chains, in addition to offering the same transportation services as Express Business. The Group provides logistics support services, including storage, packing, customs clearance, and delivery of cargo, based on contracts with its customers. Each contractually agreed-upon process within these contracts is identified as a distinct performance obligation. Revenue for each performance obligation is recognized over time, corresponding to the progress made in satisfying that obligation. This progress is measured based on the extent of work completed, as customers simultaneously receive and consume the economic benefits as the services are rendered.

(3) Mobility Business
Mobility Business provides automotive services for customers' vehicles, including inspections and maintenance. These services encompass maintenance management for vehicles owned or used by customers, such as legislative periodic safety inspections (commonly known as "shaken" in Japan) and regular check-ups, as well as other related ancillary services. Revenue derived from these services is recognized when the performance obligation is satisfied. This satisfaction is deemed to occur at the point in time when the vehicle, after the completion of inspection and maintenance, is delivered to and accepted by the customer.

f. **Cash Equivalents**—Cash equivalents in the consolidated statement of cash flows are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents in the consolidated statement of cash flows include time deposits, certificates of deposit, and mutual funds investing in bonds that represent short-term investments, all of which mature or become due within three months of the date of acquisition.

The difference between cash and cash equivalents in the accompanying consolidated balance sheet and cash and cash equivalents in the accompanying consolidated statement of cash flows was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Cash and cash equivalents presented in the consolidated balance sheet	¥ 238,813	¥ 208,654	$ 1,493,699
Time deposits due beyond three months	(990)	(597)	(6,192)
Cash and cash equivalents presented in the consolidated statement of cash flows	¥ 237,823	¥ 208,057	$ 1,487,507

g. ***Inventories—***Inventories are stated at the lower of cost determined by the first-in, first-out method or net selling value.

h. ***Investment Securities—***Investment securities are classified and accounted for, depending on management's intent, as follows: (1) trading securities, which are held for the purpose of earning capital gains in near term, are reported at fair value, and the related unrealized gains and losses are included in earnings; (2) held-to-maturity debt securities, for which there is a positive intent and ability to hold to maturity, are reported at amortized cost; and (3) available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The Group had no trading securities at March 31, 2026 and 2025.

Equity securities with no market price and investments in capital are stated at cost determined by the moving-average method.

Investments in the limited partnership for investment partnerships and similar partnerships, which are deemed to be securities pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Act are stated at net amount of equity interest in the partnership based on the most recent financial statements available according to the reporting date stipulated in the partnership agreement.

For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

i. **Property, Plant and Equipment**—Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment excluding leased assets is computed by the straight-line method. Depreciation of leased assets is computed by the straight-line method over the lease period with no residual value carried.
The range of useful lives is principally as follows:

Buildings and structures	7–60 years
Vehicles	2– 7 years
Machinery and equipment	2–20 years

Maintenance and repairs, including minor renewals and improvements, are charged to income as incurred.

j. ***Long-Lived Assets*****—**The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

k. ***Other Assets***— Intangible assets are amortized using the straight-line method.

Software is amortized using the straight-line method over its estimated useful life of 5 years or less.

Customer-related intangible assets are amortized using the straight-line method over their expected period of economic benefit.

Goodwill is amortized using the straight-line method over its expected period of economic benefit. However, if the amount of goodwill is immaterial, it is fully amortized during the fiscal year that the goodwill is recognized. In addition, if the Company recognizes a loss on the valuation of the shares of a consolidated subsidiary in its separate financial statements to reflect a decline in excess earning power or other factors anticipated at the time of the share acquisition, goodwill is amortized in the consolidated financial statements in accordance with the provisions of Paragraph 32 of the "Practical Guidelines on Capital Consolidation Procedures in Consolidated Financial Statements" (Accounting Standards Board of Japan Implementation Guidance No. 4, July 1, 2024). In accordance with this policy, the Group recognized amortization of goodwill of ¥13,434 million for the fiscal year ended March 31, 2026.

l. **Provisions—**The basis for recognition of significant provisions is as follows:

(1) Allowance for Doubtful Accounts
To provide for potential losses from uncollectible receivables, allowance for doubtful accounts is recorded. For general receivables, this allowance is calculated based on the historical bad debt ratio. For specific receivables, such as claims with collection concerns, their collectibility is individually assessed, and the estimated uncollectible amount is recorded.

(2) Provision for Special Repairs
To provide for the expenses required for special repairs of cargo aircraft, provision for special repairs is recorded based on the estimated future repair costs.

m. ***Retirement and Pension Plans***—The Company and consolidated subsidiaries mainly have contributory trusted pension plans and unfunded retirement benefit plans. In addition, defined contribution retirement plans were introduced along with these defined benefit retirement plans.

In calculating the retirement benefit obligations, the straight-line basis is used in determining the amount of the expected retirement benefit obligations attributed to service performed up to the end of the current fiscal year.

Past service costs are recognized in profit or loss in full in the fiscal year in which it arises. Actuarial gains and losses are amortized on a straight-line basis over a period within the average remaining service period of the eligible employees (mainly five years) on and after the fiscal year following the fiscal year in which it arises.

Actuarial gains and losses are recognized within equity on the consolidated balance sheet after adjusting for tax effects, and funded status is recognized as a liability or asset.

n. ***Asset Retirement Obligations*** **—**An asset retirement obligation is recorded for a legal obligation imposed either by law or contract that results from the acquisition, construction, development, and normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset.

The asset retirement obligation is recognized as the sum of the discounted cash flows required for future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of the asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as reconciliation to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

o. ***Leases*** **—**For a lessee, all finance lease transactions are capitalized to recognize lease assets and lease obligations in the balance sheet.

For a lessor, all finance leases that deem to transfer ownership of the leased property to the lessee are recognized as lease receivables, and all finance leases that deem not to transfer ownership of the leased property to the lessee are recognized as investments in leases.

p. ***Income Taxes***—The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted income tax rates to the temporary differences.

The Company and certain domestic consolidated subsidiaries have applied the Japanese Group Relief System. In addition, the Company has adopted the ASBJ PITF No. 42, "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" with respect to the accounting treatment and disclosure related to tax effect accounting for national and local corporate income taxes.

q. ***Foreign Currency Transactions***—All short and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date.

r. ***Foreign Currency Financial Statements*****—**The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation are shown as "Foreign currency translation adjustments" under accumulated other comprehensive income in a separate component of equity.

Revenue and expense accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rates as of the balance sheet date.

s. ***Per Share Information*****—**Basic earnings per share is computed by dividing profit attributable to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted earnings per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted earnings per share of common stock assumes full conversion of the outstanding convertible notes and bonds at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

For the years ended March 31, 2026 and 2025, diluted earnings per share is not disclosed because the Company had no dilutive securities.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective fiscal years, including dividends to be paid after the end of the year.

t. ***Accounting Changes and Error Corrections***—Under ASBJ Statement No. 24, "Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections," and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections," accounting treatments are required as follows:

(1) Changes in Accounting Policies —When a new accounting policy is applied following revision of an accounting standard, the new policy is applied retrospectively unless the revised accounting standard includes specific transitional provisions, in which case the entity shall comply with the specific transitional provisions. (2) Changes in Presentation — When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation. (3) Changes in Accounting Estimates — A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods. (4) Corrections of Prior-Period Errors — When an error in prior-period financial statements is discovered, those statements are restated.

u. ***Performance-Based Share Remuneration Plan "Board Benefit Trust (BBT) "***—The Company has introduced a performance-based share remuneration plan "Board Benefit Trust (BBT)" for the directors (except for outside directors) and executive officers who do not concurrently serve as directors of the Company ("Officers"). This plan purports to further enhance the connection between Officers' remuneration and performance and share value of the Company, and raise their motivation to make contributions to increase the Company's long-term performance and corporate value by sharing not only the benefits of a rise in share prices but also the risk of a decline in share prices with shareholders.

The Plan is a performance-based share remuneration plan in which the trust acquires the Company's shares using money contributed by the Company as the source of funds, and Officers are provided with the Company's shares and cash equivalent to the market value of the Company's shares ("Shares of the Company") through the trust in accordance with "Regulation for Benefit of Shares to Officers" established by the Company. As a general rule, Officers shall be entitled to receive Shares of the Company at the time of retirement.

The Company applies the same accounting method as stipulated in the ASBJ PITF No.30, "Practical Solution on Transactions of Delivering the Company's Own Stock to Employee etc. through Trusts."

The book value (excluding incidental costs) of the Company's shares held by the trust bank is accounted for as treasury stock in the equity section of the Company's consolidated balance sheet. The book value and number of treasury stock held by the trust bank at March 31, 2026 and 2025, were ¥1,335 million ($8,351 thousand), 469,200 shares, and ¥1,343 million and 471,800 shares, respectively.

v. ***New Accounting Pronouncements***

Accounting Standards for Leases—Accounting Standards for Leases—In September 2024, the ASBJ issued ASBJ Statement No. 34, "Accounting Standard for Leases," and ASBJ Guidance No. 33, "Implementation Guidance on Accounting Standard for Leases."

The ASBJ deliberated on the development of accounting standards for leases as part of its efforts to achieve international consistency in Japanese accounting standards. These new standards, which take into account international accounting standards, require lessees to recognize assets and liabilities for all leases. The basic policy of new standards has been to base these standards on the single accounting model of IFRS 16. However, instead of adopting all provisions of IFRS 16, only its main provisions are incorporated. This policy aims to establish lease accounting standards that are simple and practical, and which would also require basically no adjustments to align with the principles of IFRS 16, even when applied to separate financial statements. Regarding the lessee's accounting treatment, specifically the method for allocating lease costs, a single accounting model is applied to all leases, consistent with IFRS 16. This model applies irrespective of whether a lease is classified as a finance lease or an operating lease, and involves recognizing depreciation expense on the right-of-use asset and interest expense on the lease liability.

The accounting standards will be applied from fiscal years beginning on or after April 1, 2027.

The Group is now in the process of measuring the effect of applying the accounting standards.

3. SIGNIFICANT ACCOUNTING ESTIMATE

Impairment of Long-Lived Assets

1. Amount recorded in the consolidated financial statements

Amount recorded in the consolidated financial statements for the current fiscal year based on accounting estimates that may have a material impact on the consolidated financial statements for the following fiscal year are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Property, plant and equipment	¥ 469,156	¥ 474,354	$ 2,934,428
Intangible assets	65,641	82,575	410,562

2. Information on significant accounting estimates for identified items

In making accounting estimates regarding the impairment of long-lived assets, the cash-generating unit, which serves as the unit of analysis for determining whether impairment is necessary, is defined as the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. Assets are grouped by taking into account managerial accounting classifications and the units used for making investment decisions. For Yamato Transport Co., Ltd., assets are grouped based on business segments, and assets associated with the head office division are classified as common assets. Regarding long-lived assets mentioned above, the Group identifies indicators of impairment and determines whether impairment losses should be recognized for each such asset group.

The future cash flows and underlying business plans used to recognize and measure impairment losses, as well as the discount rates used to calculate value in use, inherently involve accounting judgments and assumptions, and may be affected by uncertain future economic conditions and the Group's operating performance. Therefore, if it becomes necessary to revise the underlying assumptions and estimates, this could have a material impact on the consolidated financial statements for the following fiscal year.

3. Key assumptions used in calculating the amounts recorded in the consolidated financial statements for the current fiscal year and their impact on the consolidated financial statements for the following fiscal year

In the fiscal year ended March 31, 2026, although indicators of impairment were identified for the Express business of Yamato Transport Co., Ltd., no impairment loss was recognized because the undiscounted future cash flows exceeded the carrying amount of the long-lived assets.

The estimate of total undiscounted future cash flows for this business is based on a future business plan that includes key assumptions such as revenue conditions (including TA-Q-BIN unit prices, TA-Q-BIN delivery volumes, and demand trends of major customers), cost conditions driven by changes in the external environment (including resource and energy prices and hourly wage rates), and a review of the provision methods for certain transportation services and the resulting impact on profit or loss.

Therefore, if future results deviate from the above key assumptions and future cash flows deteriorate, an impairment loss may be recognized in the following consolidated fiscal year.

The items and amounts recorded in the consolidated financial statements for the fiscal year ended March 31, 2026, relating to the Express business of Yamato Transport Co., Ltd., are as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2026	2026
Property, plant and equipment	¥ 376,145	$ 2,352,673
Intangible assets	377	2,357

4. ADDITIONAL INFORMATION

Dissolution and Liquidation of Subsidiary
At the Board of Directors of the Company held on February, the decision to liquidate the Company's consolidated subsidiary, YAMATO ASIA PTE. LTD., was approved. Currently, its liquidation process is underway.

Reasons for dissolution and liquidation
The Company decided to liquidate YAMATO ASIA PTE. LTD. The Company judged that reorganizing the current management structure based on previous overseas governance by abolishing intermediate holding company was necessary. The purpose of liquidation is to reconstruct an appropriate governance framework that aligns with business scale, characteristics, country and region-specific factors, and the growth stage of overseas business.

Name, business and ownership of subsidiary
Name: YAMATO ASIA PTE. LTD.
Business: Management of regional business in Southeast Asia, business development and market research
Ownership: 100% owned by the Company

Schedule of dissolution and liquidation
YAMATO ASIA PTE. LTD.
Extraordinary Meeting of Shareholders (companies involved): January 2026
Conclusion of liquidation: November 2026 (planned)

Financial situation of the subsidiary
YAMATO ASIA PTE. LTD.
Net assets: ¥9,814 million ($61,384 thousand)
Total assets: ¥9,814 million ($61,384 thousand)

Effect on profit or loss due to the dissolution and liquidation
The effect caused by expenses arising from the dissolution and liquidation of the subsidiary on profit or loss is immaterial.

Significant effect on operating activities due to the dissolution and liquidation
The effect caused by the dissolution and liquidation of the subsidiary on operating activities is immaterial.

5. INSTALLMENT RECEIVABLES

Sales recorded on the installment basis were 0.2% of operating revenues in both 2026 and 2025.

Annual maturities of installment receivables at March 31, 2026 and related amortization of deferred profit on installment sales are as follows:

	Millions of Yen		Thousands of U.S. Dollars	
Year Ending March 31	Receivables	Deferred Profit on Installment Sales	Receivables	Deferred Profit on Installment Sales
2027	¥ 22,581	¥ 2,235	$ 141,234	$ 13,977
2028	11,774	1,471	73,646	9,199
2029	8,075	941	50,509	5,887
2030	5,611	610	35,094	3,814
2031	3,945	384	24,675	2,401
2032 and thereafter	8,313	680	51,996	4,258
Total	¥ 60,299	¥ 6,321	$ 377,154	$ 39,536

6. INVENTORIES

Inventories at March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Merchandise	¥ 150	¥ 646	$ 937
Work in process	224	246	1,401
Raw materials and supplies	2,179	2,507	13,629
Total	¥ 2,553	¥ 3,399	$ 15,967

7. INVESTMENT SECURITIES

Investment securities as of March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Non-current:			
Marketable equity securities	¥ 25,884	¥ 18,475	$ 161,899
Non-marketable equity securities	5,534	5,978	34,613
Other	12,553	10,443	78,516
Total	¥ 43,971	¥ 34,896	$ 275,028

Information regarding each category of the securities classified as available-for-sale at March 31, 2026 and 2025, is as follows:

	Millions of Yen			
	2026			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 11,442	¥ 14,825	¥ 383	¥ 25,884

	Millions of Yen			
	2025			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 8,515	¥ 10,372	¥ 412	¥ 18,475
Other	158	19		177
Total	¥ 8,673	¥ 10,391	¥ 412	¥ 18,652

	Thousands of U.S. Dollars			
	2026			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	$ 71,566	$ 92,724	$ 2,391	$ 161,899

Information for available-for-sale securities, which were sold during the years ended March 31, 2026 and 2025, is as follows:

	Millions of Yen		
March 31, 2026	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	¥ 3,168	¥ 2,472	¥ —
Other	29		15
Total	¥ 3,197	¥ 2,472	¥ 15

	Millions of Yen		
March 31, 2025	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	¥ 15,768	¥ 14,703	¥ —

	Thousands of U.S. Dollars		
March 31, 2026	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	$ 19,816	$ 15,462	$ —
Other	180		93
Total	$ 19,996	$ 15,462	$ 93

Loss on valuation of available-for-sale securities for the years ended March 31, 2026 and 2025, were ¥305 million ($1,910 thousand) and ¥849 million, respectively.

8. LONG-LIVED ASSETS

The Group reviewed its long-lived assets for impairment as of the years ended March 31, 2026 and 2025. Upon review, due to no future use, continuous operating losses of those units or significant declines in market prices, the Group recognized an impairment loss of ¥1,226 million ($7,668 thousand) as other expense for the asset groups of Kawanishi Logistics Center of Nakano Shokai Co., Ltd. and 10 other asset groups for the year ended March 31, 2026, and ¥632 million as other expense for the asset groups of Headquarters Division of Yamato Transport Co., Ltd. and 4 other asset groups for the year ended March 31, 2025.

The carrying amounts of the relevant asset groups were written down to their recoverable amounts. In the case where the net selling prices were used as recoverable amounts, idle assets were evaluated at zero, and the relevant asset groups other than idle assets were evaluated mainly based on Real Estate Appraisal Standards, assessed value of fixed assets, and posted land prices. In the case where the recoverable amounts were measured at their value in use, the discount rates used for computation of present value of future cash flows for the years ended March 31, 2026 and 2025, were mainly 11.3% and 6.82%, respectively.

9. BANK LOANS AND LONG-TERM DEBT

Short-term bank loans at March 31, 2026 and 2025, consisted of notes to banks and bank overdrafts. The weighted-average interest rates applicable to the bank loans as of March 31, 2026 and 2025, were approximately 0.926% and 0.571%, respectively.

Long-term debt at March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
0.300% to 0.700% fiscal Investment and Loan Program due 2024 to 2029	¥ 1,727	¥ 2,182	$ 10,804
0.448% to 1.157% loans from syndicate group due in December 2029	54,234	50,500	339,214
Unsecured 0.310% bonds (with inter-bond pari passu clause) due in July 2028	20,000	20,000	125,094
Loan from banks, 0.340% to 1.100% (0.340% to 1.100% in 2025), due to serially, to 2029:			
Collateralized	2,170	2,199	13,569
Unsecured	31,861	33,903	199,285
Lease obligations	70,653	53,212	441,917
Total	180,645	161,996	1,129,882
Less current portion	(13,880)	(9,721)	(86,818)
Total	¥ 166,765	¥ 152,275	$ 1,043,064

Annual maturities of long-term debt at March 31, 2026, are as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2027	¥ 13,880	$ 86,818
2028	8,633	53,996
2029	56,721	354,769
2030	56,110	350,953
2031	5,082	31,783
2032 and thereafter	40,219	251,563
Total	¥ 180,645	$ 1,129,882

Assets pledged as securities at March 31, 2026 and 2025, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Property, plant and equipment	¥ 1,270	¥ 1,279	$ 7,944
Total	¥ 1,270	¥ 1,279	$ 7,944

10. RETIREMENT AND PENSION PLANS

The Group has defined benefit retirement plans and defined contribution retirement plans for employees.

The defined benefit retirement plans provide, under most circumstances, that employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service, and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Company or from the consolidated subsidiaries and annuity payments from a trustee. Employees are entitled to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or by voluntary retirement at certain specific ages exceeding the standard retirement age.

(1) Defined Benefit Retirement Plans

The changes in defined benefit obligation for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Balance at beginning of year	¥ 136,475	¥ 159,351	$ 853,608
Service cost	9,231	15,754	57,736
Interest cost	1,891	159	11,829
Actuarial loss (gain) arising during the year	1,575	(25,722)	9,850
Retirement benefits paid	(13,447)	(14,047)	(84,109)
Past service cost incurred during the year		263	
Increase due to change in scope of consolidation		717	
Balance at end of year	¥ 135,725	¥ 136,475	$ 848,914

The changes in plan assets for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Balance at beginning of year	¥ 54,916	¥ 56,274	$ 343,478
Expected return on plan assets	549	563	3,435
Actuarial gain (loss) arising during the year	102	(204)	637
Retirement benefits paid	(1,637)	(1,717)	(10,236)
Balance at end of year	¥ 53,930	¥ 54,916	$ 337,314

Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets as of March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Defined benefit obligation of funded plan	¥ 6,539	¥ 7,886	$ 40,895
Plan assets	(53,930)	(54,916)	(337,314)
	(47,391)	(47,030)	(296,419)
Defined benefit obligation of unfunded plan	129,186	128,589	808,019
Net liability arising from defined benefit obligation	¥ 81,795	¥ 81,559	$ 511,600

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Liability for employees' retirement benefits	¥ 129,186	¥ 128,589	$ 808,019
Asset for employees' retirement benefits	(47,391)	(47,030)	(296,419)
Net liability arising from defined benefit obligation	¥ 81,795	¥ 81,559	$ 511,600

The components of net periodic benefit costs for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Service cost	¥ 9,231	¥ 15,754	$ 57,736
Interest cost	1,891	159	11,829
Expected return on plan assets	(549)	(563)	(3,435)
Recognized actuarial gain	(5,807)	(174)	(36,323)
Past service cost		263	
Others	14	(10)	92
Net periodic benefit costs	¥ 4,780	¥ 15,429	$ 29,899

Amounts recognized in other comprehensive income (before income taxes) in respect of defined benefit retirement plans for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Actuarial (loss) gain	¥ (7,280)	¥ 25,344	$ (45,536)
Total	¥ (7,280)	¥ 25,344	$ (45,536)

Amounts recognized in accumulated other comprehensive income (before income taxes) in respect of defined benefit retirement plans as of March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Unrecognized actuarial gain	¥ 16,577	¥ 23,857	$ 103,685
Total	¥ 16,577	¥ 23,857	$ 103,685

Plan assets as of March 31, 2026 and 2025, consisted of the following:

	2026	2025
General accounts	57%	56%
Debt investments	19	16
Others	24	28
Total	100%	100%

Assumptions used for the years ended March 31, 2026 and 2025, were set forth as follows:

		2026	2025
Discount rate	Mainly	1.4%	1.4%
Expected rate of return on plan assets		1.0%	1.0%

The expected rate of return on plan assets is determined on the basis of the distribution of plan assets, past performance of respective assets that make up investments of plan assets, and market trends.

(2) Defined Contribution Retirement Plans

The amounts contributed to the defined contribution retirement plans of the Group for the years ended March 31, 2026 and 2025, were ¥ 11,881 million ($74,313 thousand) and ¥11,754 million, respectively.

11. ASSET RETIREMENT OBLIGATIONS

The changes in asset retirement obligations for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Balance at beginning of year	¥ 12,864	¥ 10,547	$ 80,461
Additional provisions associated with the acquisition of property, plant and equipment	3,772	1,518	23,593
Reconciliation associated with passage of time	165	137	1,032
Reconciliation associated with changes in accounting estimates	1,204	174	7,533
Reduction associated with settlement of asset retirement obligations	(341)	(511)	(2,134)
Additional provisions associated with the acquisition of consolidated subsidiaries		1,005	
Reduction associated with disposed consolidated subsidiaries		(8)	
Others	(12)	2	(78)
Balance at end of year	¥ 17,652	¥ 12,864	$ 110,407

Changes in accounting estimates were recorded as it became evident that the estimate of the discounted cash flows required for future asset retirement at the beginning of the year would change. A reconciliation has been prepared for the change, which resulted in an increase in the asset retirement obligation for the year ended March 31, 2026, by ¥1,204 million ($7,533 thousand), and an increase for the year ended March 31, 2025, by ¥174 million, respectively.

12. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. *Dividends*

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. For companies that meet certain criteria such as (1) having a Board of Directors, (2) having independent auditors, (3) having an Audit & Supervisory Board, and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Company meets all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. *Increases/Decreases and Transfer of Common Stock, Reserve and Surplus*

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus, and retained earnings can be transferred among the accounts within equity under certain conditions upon resolution of the shareholders.

c. *Treasury Stock*

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders, which is determined by a specific formula. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity.

13. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes, which, in the aggregate, resulted in a normal effective statutory tax rate of 30.6% for the years ended March 31, 2026 and 2025.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Deferred tax assets:			
Accrued expenses	¥ 9,947	¥ 9,608	$ 62,213
Legal welfare expense	1,660	1,600	10,386
Enterprise tax	1,776	1,691	11,110
Allowance for doubtful accounts	482	518	3,017
Tax loss carryforwards	9,929	10,752	62,101
Liability for employees' retirement benefits	40,818	40,458	255,301
Loss on valuation of land	14,961	15,473	93,576
Loss on impairment of long-lived assets	4,675	4,762	29,244
Loss on valuation of investment securities	1,725	1,113	10,789
Investments in subsidiaries and affiliates	5,716	11,424	35,750
Unrealized profit	3,698	3,694	23,130
Loss on valuation of telephone subscription rights	187	215	1,167
Asset retirement obligations	6,081	4,463	38,033
Provision for special repairs	2,404	1,033	15,036
Other	11,808	9,565	73,862
Total tax loss carryforwards and temporary differences	115,867	116,369	724,715
Less valuation allowance for tax loss carryforwards	(6,486)	(4,854)	(40,566)
Less valuation allowance for temporary differences	(21,604)	(21,347)	(135,129)
Total valuation allowance	(28,090)	(26,201)	(175,695)
Deferred tax assets	¥ 87,777	¥ 90,168	$ 549,020
Deferred tax liabilities:			
Customer-related intangible assets	¥ (8,730)	¥ (9,140)	$ (54,602)
Assets for employees' retirement benefits	(14,954)	(14,841)	(93,531)
Unrealized gain on available-for-sale securities	(4,703)	(3,104)	(29,418)
Reserve for tax purpose reduction entry	(279)	(300)	(1,747)
Other	(8,365)	(7,760)	(52,321)
Deferred tax liabilities	¥ (37,031)	¥ (35,145)	$ (231,619)
Deferred tax assets—net	¥ 50,746	¥ 55,023	$ 317,401

The expiration of tax loss carryforwards, the related valuation allowances and the resulting net deferred tax assets as of March 31, 2026, are as follows:

	Millions of Yen		
Year Ending March 31	Deferred Tax Assets Relating to Tax Loss Carryforwards	Less Valuation Allowances for Tax Loss Carryforwards	Net Deferred Tax Assets Relating to Tax Loss Carryforwards
2027	¥ 3	¥ (3)	¥—
2028			
2029			
2030	654	(654)	
2031	60	(60)	
2032 and thereafter	9,212	(5,769)	3,443
Total	¥ 9,929	¥ (6,486)	¥ 3,443

	Thousands of U.S. Dollars		
Year Ending March 31	Deferred Tax Assets Relating to Tax Loss Carryforwards	Less Valuation Allowances for Tax Loss Carryforwards	Net Deferred Tax Assets Relating to Tax Loss Carryforwards
2027	$ 19	$ (19)	$ —
2028			
2029			
2030	4,090	(4,090)	
2031	378	(378)	
2032 and thereafter	57,614	(36,079)	21,535
Total	$ 62,101	$ (40,566)	$ 21,535

Reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income for the year ended March 31, 2026, was as follows:

	2026
Normal effective statutory tax rate	30.6 %
Per capita levy of local taxes	8.7
Valuation allowance	1.4
Nontaxable dividends received	(0.4)
Share of profit or loss of entities accounted for using equity method	2.6
Amortization of goodwill	15.3
Adjustment of deferred tax assets due to change in tax rates	(2.5)
Difference arising from income subject to the Japanese Group Relief System	(0.5)
Other—net	(1.1)
Actual effective tax rate	54.1 %

Reconciliation between the normal effective statutory tax rates and the actual effective tax rates for the year ended March 31, 2025, was omitted since the difference between both rates was less than 5% of the normal effective statutory tax rates.

14. LEASES

(1) Lessee

The Group leases certain buildings, cargo aircrafts, vehicles and other assets as the lessee.

Future rental payments under non-cancelable operating leases at March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Due within one year	¥ 45,152	¥ 35,252	$ 282,414
Due after one year	272,558	204,241	1,704,766
Total	¥ 317,710	¥ 239,493	$ 1,987,180

(2) Lessor

Future lease proceeds under non-cancelable operating leases at March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Due within one year	¥ 11,252	¥ 11,461	$ 70,378
Due after one year	29,367	34,762	183,679
Total	¥ 40,619	¥ 46,223	$ 254,057

15. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Group Policy for Financial Instruments

To achieve further business growth, the Group formulates investment plans by selecting between assets to own and assets to utilize, under its balance sheet management.

Based on these investment plans, the funds required for owned assets are procured through bank borrowings and the issuance of corporate bonds, while maintaining an awareness of financial soundness and efficiency. The funds required for utilized assets are procured through leases with optimal terms in light of the business plans.

Cash surpluses, if any, are invested in low-risk financial assets.

Derivatives are not used for speculative purposes but to manage exposure to interest rate fluctuation risk.

Certain consolidated subsidiaries conduct installment sales operations.

(2) Nature and Extent of Risks Arising from Financial Instruments and the Risk Management for Financial Instruments

Receivables such as notes and accounts receivable and installment sales receivable are exposed to customer credit risk. Therefore, the Group minimizes customers' credit risk by monitoring collections and accrued receivables at due dates.

Investment securities are mainly equity securities of the companies with which the Group has business relationships or capital alliances. Such securities are exposed to the risk of market price fluctuations.

Most payment terms of payables such as notes and accounts payable are less than one year.

Short-term bank loans are mainly related to financing for working capital, and long-term bank loans are mainly related to financing for capital expenditures. Bank loans are mainly fixed interest rate loans.

Accounts payable, bank loans and lease obligations exposed to liquidity risk are managed by each company of the Group, such as through fund settlement, bookkeeping, monitoring of the balances outstanding, and managing cash flows.

(3) Supplementary Explanation Regarding Matters Related to the Fair Value of Financial Instruments

Since variable factors are incorporated in the calculation of the fair values of financial instruments, these values may fluctuate if different assumptions are applied.

(4) *Fair Value of Financial Instruments*

Since variable factors are incorporated in the calculation of the fair value of financial instruments, the fair value may change due to the adoption of different assumptions, etc.

Fair value of financial instruments at March 31, 2026 and 2025, were as follows:

	Millions of Yen		
March 31, 2026	Carrying Amount	Fair Value	Difference
Assets:			
Trade notes and accounts receivable, and contract assets	¥ 223,915		
Allowance for doubtful accounts	(173)		
	223,742	¥ 223,756	¥ 14
Installment sales receivable	60,299		
Allowance for doubtful accounts	(1,061)		
Deferred profit on installment sales	(6,321)		
	52,917	56,848	3,931
Available-for-sale securities	25,884	25,884	
Liabilities:			
Short-term loans	15,270	15,270	
Long-term loans	89,992	87,543	(2,449)
Lease obligations	70,654	64,714	(5,940)

	Millions of Yen		
March 31, 2025	Carrying Amount	Fair Value	Difference
Assets:			
Trade notes and accounts receivable, and contract assets	¥ 219,763		
Allowance for doubtful accounts	(213)		
	219,550	¥ 219,565	¥ 15
Installment sales receivable	56,416		
Allowance for doubtful accounts	(1,102)		
Deferred profit on installment sales	(5,669)		
	49,645	53,811	4,166
Available-for-sale securities	18,652	18,652	
Shares of affiliates	3,847	8,049	4,202
Liabilities:			
Short-term loans	11,800	11,800	
Long-term loans	88,784	87,516	(1,268)

March 31, 2026	Thousands of U.S. Dollars Carrying Amount	Fair Value	Difference
Assets:			
Trade notes and accounts receivable, and contract assets	$ 1,400,519		
Allowance for doubtful accounts	(1,080)		
	1,399,439	$ 1,399,528	$ 89
Installment sales receivable	377,154		
Allowance for doubtful accounts	(6,640)		
Deferred profit on installment sales	(39,536)		
	330,978	355,566	24,588
Available-for-sale securities	161,899	161,899	
Liabilities:			
Short-term loans	95,509	95,509	
Long-term loans	562,872	547,557	(15,315)
Lease obligations	441,917	404,763	(37,154)

Cash and cash equivalents are omitted because they are settled in a short period of time and their carrying amounts approximate fair value.

Trade notes and accounts receivable, and contract assets are presented after deducting allowances for doubtful accounts set up for trade notes and accounts receivable, and contract assets not settled in a short period of time.

Installment sales receivable is presented after deducting the relevant allowance for doubtful accounts and deferred profit on installment sales.

Equity securities with no market price and investments in capital are not included in available-for-sale securities or shares of affiliates. The amount of these financial instruments recorded as investment securities on the consolidated balance sheet at March 31, 2026 and 2025, were ¥6,049 million ($37,837 thousand) and ¥6,054 million, respectively, and the amount of these financial instruments recorded as investments in unconsolidated subsidiaries and affiliates on the consolidated balance sheet at March 31, 2026 and 2025, were ¥7,498 million ($46,899 thousand) and ¥9,946 million, respectively.

Investments in partnerships and other similar entities that are recorded on the consolidated balance sheet at net amount of equity interest are not included. The amount of these investments recorded as investment securities on the consolidated balance sheet at March 31, 2026 and 2025, were ¥12,038 million ($75,292 thousand) and ¥10,190 million, respectively.

Trade notes and accounts payable are omitted because most of them are due within one year and their carrying amounts approximate fair value.

(5) Maturity Analysis for Financial Assets and Securities with Contractual Maturities

March 31, 2026	Millions of Yen		
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years
Cash and cash equivalents	¥ 238,813	¥ —	¥ —
Trade notes and accounts receivable, and contract assets	223,891	24	
Installment sales receivable	22,580	29,406	8,313
Total	¥ 485,284	¥ 29,430	¥ 8,313

March 31, 2025	Millions of Yen		
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years
Cash and cash equivalents	¥ 208,654	¥ —	¥ —
Trade notes and accounts receivable, and contract assets	219,712	51	
Installment sales receivable	21,782	26,136	8,498
Total	¥ 450,148	¥ 26,187	¥ 8,498

March 31, 2026	Thousands of U.S. Dollars		
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years
Cash and cash equivalents	$ 1,493,699	$ —	$ —
Trade notes and accounts receivable, and contract assets	1,400,370	149	
Installment sales receivable	141,234	183,924	51,996
Total	$ 3,035,303	$ 184,073	$ 51,996

(6) Maturity Analysis for Long-Term Loans

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2027	¥ 6,152	$ 38,482
2028	2,128	13,309
2029	30,956	193,620
2030	50,756	317,461
Total	¥ 89,992	$ 562,872

(7) Maturity Analysis for Lease Obligations

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2027	¥ 7,728	$ 48,337
2028	6,505	40,687
2029	5,765	36,056
2030	5,355	33,492
2031	5,082	31,783
2032 and thereafter	40,219	251,562
Total	¥ 70,654	$ 441,917

(8) Matters Concerning the Breakdown of the Fair Value of Financial Instruments by Level and Other Items

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1 fair value:	Fair value calculated by the market price of the asset or liability formed in the active market among observable inputs
Level 2 fair value:	Fair value calculated by observable inputs excluding inputs of Level 1
Level 3 fair value:	Fair value calculated by unobservable inputs

When multiple inputs that have a significant influence on the fair value calculation are used, the fair value is classified into the lowest priority level in the fair value calculation among the levels to which those inputs belong.

Financial instruments recorded on the consolidated balance sheet at fair value

	Millions of Yen			
	Fair Value			
March 31, 2026	Level 1	Level 2	Level 3	Total
Available-for-sale securities:				
Equity securities	¥ 25,884	¥ —	¥ —	¥ 25,884
Total assets	¥ 25,884	¥ —	¥ —	¥ 25,884

	Millions of Yen			
	Fair Value			
March 31, 2025	Level 1	Level 2	Level 3	Total
Available-for-sale securities:				
Equity securities	¥ 18,475	¥ —	¥ —	¥ 18,475
Other	177			177
Total assets	¥ 18,652	¥ —	¥ —	¥ 18,652

	Thousands of U.S. Dollars			
	Fair Value			
March 31, 2026	Level 1	Level 2	Level 3	Total
Available-for-sale securities:				
Equity securities	$ 161,899	$ —	$ —	$ 161,899
Total assets	$ 161,899	$ —	$ —	$ 161,899

Financial instruments other than those recorded on the consolidated balance sheet at fair value

	Millions of Yen			
	Fair Value			
March 31, 2026	Level 1	Level 2	Level 3	Total
Trade notes and accounts receivable, and contract assets	¥ —	¥ 223,756	¥ —	¥ 223,756
Installment sales receivable		56,848		56,848
Total assets	¥ —	¥ 280,604	¥ —	¥ 280,604
Short-term loans	¥ —	¥ 15,270	¥ —	¥ 15,270
Long-term loans		87,543		87,543
Lease obligations		64,714		64,714
Total liabilities	¥ —	¥ 167,527	¥ —	¥ 167,527

	Millions of Yen			
	Fair Value			
March 31, 2025	Level 1	Level 2	Level 3	Total
Trade notes and accounts receivable, and contract assets	¥ —	¥ 219,565	¥ —	¥ 219,565
Installment sales receivable		53,811		53,811
Shares of affiliates:				
Equity securities	8,049			8,049
Total assets	¥ 8,049	¥ 273,376	¥ —	¥ 281,425
Short-term loans	¥ —	¥ 11,800	¥ —	¥ 11,800
Long-term loans		87,516		87,516
Total liabilities	¥ —	¥ 99,316	¥ —	¥ 99,316

March 31, 2026	Thousands of U.S. Dollars Fair Value Level 1	Level 2	Level 3	Total
Trade notes and accounts receivable, and contract assets	$ —	$ 1,399,528	$ —	$ 1,399,528
Installment sales receivable		355,566		355,566
Total assets	$ —	$ 1,755,094	$ —	$ 1,755,094
Short-term loans	$ —	$ 95,509	$ —	$ 95,509
Long-term loans		547,557		547,557
		404,763		404,763
Total liabilities	$ —	$ 1,047,829	$ —	$ 1,047,829

Available-for-sale securities, shares of affiliates and other

Marketable equity securities are valued using the market prices. Since marketable equity securities are traded in active markets, their fair value is classified as Level 1 fair value. Since other are equity warrants traded in active markets, their fair value is classified as Level 1 fair value.

Trade notes and accounts receivable, and contract assets

The fair value of these assets is determined using the discounted present value method based on the amount of the receivable, the period to maturity and the interest rate that takes into account credit risk for each receivable classified by certain time periods and is classified as Level 2 fair value.

Installment sales receivable

The fair value of installment sales receivable is determined using the discounted present value method based on the amount of the receivable, the period to maturity and the interest rate that takes into account credit risk for each receivable classified by certain time periods and is classified as Level 2 fair value.

Short-term loans, long-term loans and lease obligations

The fair value of short-term loans, long-term loans and lease obligations is determined using the discounted present value method based on the total amount of principal and interest and the interest rate that takes into account the remaining term of the debt and credit risk and is classified as Level 2 fair value.

16. REVENUE RECOGNITION

(1) Information about Disaggregated Revenues from Contracts with Customers

	Millions of Yen					
	2026					
	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other	Total
Transportation income	¥ 1,544,123	¥ 54,612	¥ 6,243	¥ —	¥ —	¥ 1,604,978
Logistical support income	47,065	117,231	134,774			299,070
Others	39,384	1,898	4,449	70,054	64,158	179,943
Revenues from contracts with customers	1,630,572	173,741	145,466	70,054	64,158	2,083,991
Other revenues	275	14,925	111	394	3,252	18,957
Total	1,630,847	188,666	145,577	70,448	67,410	2,102,948
Internal segment revenues or transfers	(31,294)	(1,871)	(44,018)	(4,012)	(1,041)	(82,236)
Operating revenues by reportable segments	1,599,553	186,795	101,559	66,436	66,369	2,020,712
Intersegment revenues or transfers	(41,574)	(22,192)	(4,007)	(44,402)	(42,862)	(155,037)
Operating revenues from external customers	¥ 1,557,979	¥ 164,603	¥ 97,552	¥ 22,034	¥ 23,507	¥ 1,865,675

	Millions of Yen					
	2025					
	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other	Total
Transportation income	¥ 1,514,931	¥ 18,826	¥ 6,511	¥ —	¥ —	¥ 1,540,268
Logistical support income	47,607	81,917	116,480			246,004
Others	40,677	1,804	3,700	57,435	68,537	172,153
Revenues from contracts with customers	1,603,215	102,547	126,691	57,435	68,537	1,958,425
Other revenues	332	3,317	46	196	3,336	7,227
Total	1,603,547	105,864	126,737	57,631	71,873	1,965,652
Internal segment revenues or transfers	(30,604)	(116)	(36,932)	(3,997)	(923)	(72,572)
Operating revenues by reportable segments	1,572,943	105,748	89,805	53,634	70,950	1,893,080
Intersegment revenues or transfers	(38,233)	(8,674)	(3,855)	(33,128)	(46,494)	(130,384)
Operating revenues from external customers	¥ 1,534,710	¥ 97,074	¥ 85,950	¥ 20,506	¥ 24,456	¥ 1,762,696

	Thousands of U.S. Dollars					
	2026					
	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other	Total
Transportation income	$ 9,658,012	$ 341,583	$ 39,048	$ —	$ —	$ 10,038,643
Logistical support income	294,379	733,246	842,970			1,870,595
Others	246,334	11,871	27,827	438,167	401,289	1,125,488
Revenues from contracts with customers	10,198,725	1,086,700	909,845	438,167	401,289	13,034,726
Other revenues	1,715	93,350	697	2,462	20,340	118,564
Total	10,200,440	1,180,050	910,542	440,629	421,629	13,153,290
Internal segment revenues or transfers	(195,732)	(11,702)	(275,322)	(25,095)	(6,510)	(514,361)
Operating revenues by reportable segments	10,004,708	1,168,348	635,220	415,534	415,119	12,638,929
Intersegment revenues or transfers	(260,031)	(138,809)	(25,061)	(277,718)	(268,087)	(969,706)
Operating revenues from external customers	$ 9,744,677	$ 1,029,539	$ 610,159	$ 137,816	$ 147,032	$ 11,669,223

Notes: "Other" includes Yamato System Development Co., Ltd. (development of information systems) .

Other revenues consist of real estate rental income under the scope of ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," and transactions related to financial instruments under the scope of ASBJ Statement No. 10, "Accounting Standard for Financial Instruments."

(2) Information that Provides a Basis for Understanding Revenue from Contracts with Customers

The same information as in Note 2, "Summary of Significant Accounting Policies" is omitted.

None of the contracts include significant financial elements or variable consideration, and the contractual consideration for services is generally received within 30–70 days from the time of revenue recognition. The contractual consideration for transportation services provided to individual customers in the Express Business is received at the time the parcel is accepted.

(3) Information about the Relationship between the Satisfaction of Performance Obligations under Contracts with Customers and Cash Flows from Such Contracts, and the Amount and Timing of Revenue Expected to be Recognized in Subsequent Periods from Contracts with Customers that Existed at the End of the Current Fiscal Year

Balance of receivables, contract assets and contract liabilities from contracts with customers

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Receivables from contracts with customers, beginning of fiscal year	¥ 190,230	¥ 183,854	$ 1,189,828
Receivables from contracts with customers, end of fiscal year	193,616	190,230	1,211,011
Contract assets, beginning of fiscal year	4,382	4,552	27,405
Contract assets, end of fiscal year	4,781	4,382	29,904
Contract liabilities, beginning of fiscal year	12,624	13,432	78,960
Contract liabilities, end of fiscal year	12,773	12,624	79,888

Contract assets are mainly recognized in TA-Q-BIN transactions and are recognized based on the estimated revenue from the progress of deliveries up to the end of the fiscal year. Contract assets are reclassified to receivables from contracts with customers when the consolidated subsidiary’s rights to the consideration become unconditional.

Contract liabilities mainly relate to advances received from customers who have subscribed to the Kuroneko Member Discount program for TA-Q-BIN transactions. Contract liabilities are reversed upon the recognition of revenue.

Among the revenues recognized during the fiscal years ended March 31, 2026 and 2025, the amounts included in the opening balance of contract liabilities were ¥10,462 million ($65,439 thousand) and ¥10,851 million, respectively.

The amounts of revenue recognized in the fiscal years ended March 31, 2026 and 2025, from performance obligations satisfied in prior periods were immaterial.

Transaction prices allocated to remaining performance obligations
The Group applies the practical expedient in noting transaction prices allocated to the remaining performance obligations and does not include performance obligations with original expected contractual terms of one year or less and performance obligations for which the entity is entitled to receive consideration directly corresponding to the value to the customer of the portion of the obligation that has been performed by the entity to date. As a result, there were no significant performance obligations that should have been noted as the transaction price allocated to the remaining performance obligations.

The performance obligations with original expected contractual terms of one year or less mainly relate to TA-Q-BIN transactions in the Express Business.

In addition, there were no material amounts of consideration arising from contracts with customers that were not included in the transaction price.

17. OTHER COMPREHENSIVE INCOME

The components of other comprehensive income for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Unrealized gain (loss) on available-for-sale securities:			
Adjustments arising during the year	¥ 8,867	¥ 7,572	$ 55,461
Reclassification adjustments to profit or loss	(2,126)	(15,416)	(13,297)
Amount before income taxes	6,741	(7,844)	42,164
Income tax and tax effect	(1,598)	1,492	(9,997)
Total	¥ 5,143	¥ (6,352)	$ 32,167
Foreign currency translation adjustments:			
Adjustments arising during the year	¥ 2,110	¥ 1,378	$ 13,198
Reclassification adjustments to profit or loss	(309)		(1,934)
Amount before income taxes	1,801	1,378	11,264
Income tax and tax effect	(165)	(54)	(1,034)
Total	¥ 1,636	¥ 1,324	$ 10,230
Remeasurements of defined employees' retirement benefit plans:			
Adjustments arising during the year	¥ (1,473)	¥ 25,518	$ (9,213)
Reclassification adjustments to profit or loss	(5,807)	(174)	(36,323)
Amount before income taxes	(7,280)	25,344	(45,536)
Income tax and tax effect	2,294	(7,967)	14,350
Total	¥ (4,986)	¥ 17,377	$ (31,186)
Share of other comprehensive income of entities accounted for using equity method:			
Adjustments arising during the year	¥ 7	¥ 27	$ 45
Reclassification adjustments to profit or loss	(39)	(124)	(244)
Total	¥ (32)	¥ (97)	$ (199)
Total other comprehensive income	¥ 1,761	¥ 12,252	$ 11,012

18. EARNINGS PER SHARE

Basic earnings per share ("EPS") for the years ended March 31, 2026 and 2025, was as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
Year Ended March 31, 2026	Profit Attributable to Owners of Parent	Weighted-average Shares	EPS	
Basic EPS—Profit attributable to common shareholders	¥ 13,662	317,218	¥ 43.07	$ 0.27
Year Ended March 31, 2025				
Basic EPS—Profit attributable to common shareholders	¥ 37,938	339,122	¥ 111.87	

19. SEGMENT INFORMATION

(1) Description of Reportable Segments

The Group identifies operating segments as components of the Group for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors in order to make decisions about resources to be allocated to the segments and assess their performance.

The Group has established a management structure under the Company, a pure holding company, to achieve sustainable enhancement of corporate value based on the medium-term management plan, 'Sustainability Transformation 2030 ~1st Stage~,' formulated with the fiscal year ending March 31, 2027 as its final year, and organizes its segments according to its principal businesses and incidental services. This approach results in four separate reportable segments: Express Business, Contract Logistics Business, Global Business, and Mobility Business.

The Group defines the reportable segments as follows:

Express Business :	Parcel deliveries for individual and corporate clients, truck transportation, and roll box pallet charter transportation
Contract Logistics Business:	3PL and real estate subleasing services related to logistics facilities
Global Business:	Truck transportation for corporate clients, planning and operation of logistics centers, customs clearance services, and air freight forwarding services
Mobility Business:	Vehicle maintenance services, fuel sales, and non-life insurance agency services
Other:	Development and operation of IT systems, call center services, and financial services

(2) Methods of Measurement for the Amounts of Segment Revenues, Segment Profit, Segment Assets, and Other Items for Each Reportable Segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 2, "Summary of Significant Accounting Policies."

To better assess profit and loss by reporting segment, the allocation method for head office-related expenses of Yamato Transport Co., Ltd., a consolidated subsidiary, has been changed in the fiscal year ended March 31, 2026. If this change had been applied retroactively to the fiscal year ended March 31, 2025, segment profit would have increased by ¥2,303 million ($14,405 thousand) in the Express business, and decreased by ¥375 million ($2,344 thousand) in the Contract Logistics business and by ¥1,928 million ($12,061 thousand) in the Global business. This change has no impact on the figures reported in the Consolidated Statement of Income.

(3) Information about Segment Revenues, Segment Profit, Segment Assets, and Other Items

	Millions of Yen							
	2026							
	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other	Total	Reconciliation	Consolidated
Segment revenues:								
Segment revenues from customers	¥ 1,557,979	¥ 164,603	¥ 97,552	¥ 22,034	¥ 23,507	¥ 1,865,675	¥ —	¥ 1,865,675
Intersegment revenues	41,574	22,192	4,007	44,402	42,862	155,037	(155,037)	
Total segment revenues	¥ 1,599,553	¥ 186,795	¥ 101,559	¥ 66,436	¥ 66,369	¥ 2,020,712	¥ (155,037)	¥ 1,865,675
Segment profit	¥ 2,299	¥ 6,217	¥ 8,151	¥ 5,221	¥ 6,630	¥ 28,518	¥ (213)	¥ 28,305
Segment assets	970,538	99,914	62,100	53,959	114,302	1,300,813	(20,642)	1,280,171
Other:								
Depreciation and amortization	40,358	6,276	2,875	1,512	1,863	52,884	317	53,201
Amortization of goodwill		14,906				14,906		14,906
Investment in entities accounted for using equity method	1,259					1,259	4,344	5,603
Increase of tangible and intangible fixed assets	47,257	14,086	5,390	2,025	1,123	69,881	5	69,886

	Millions of Yen							
	2025							
	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other	Total	Reconciliation	Consolidated
Segment revenues:								
Segment revenues from customers	¥ 1,534,710	¥ 97,074	¥ 85,950	¥ 20,506	¥ 24,456	¥ 1,762,696	¥ —	¥ 1,762,696
Intersegment revenues	38,233	8,674	3,855	33,128	46,494	130,384	(130,384)	
Total segment revenues	¥ 1,572,943	¥ 105,748	¥ 89,805	¥ 53,634	¥ 70,950	¥ 1,893,080	¥ (130,384)	¥ 1,762,696
Segment (loss) profit	¥ (12,900)	¥ 5,583	¥ 9,028	¥ 3,781	¥ 8,201	¥ 13,693	¥ 513	¥ 14,206
Segment assets	963,281	104,503	64,232	29,395	106,105	1,267,516	(88)	1,267,428
Other:								
Depreciation and amortization	38,595	3,650	2,440	927	2,021	47,633	954	48,587
Amortization of goodwill		368				368		368
Investment in entities accounted for using equity method	901					901	10,998	11,899
Increase of tangible and intangible fixed assets	68,575	44,701	3,185	575	1,217	118,253	8,066	126,319

	Thousands of U.S. Dollars							
	2026							
	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other	Total	Reconciliation	Consolidated
Segment revenues:								
Segment revenues from customers	$ 9,744,677	$ 1,029,539	$ 610,159	$ 137,816	$ 147,032	$ 11,669,223	$ —	$ 11,669,223
Intersegment revenues	260,031	138,809	25,061	277,718	268,087	969,706	(969,706)	
Total segment revenues	$ 10,004,708	$ 1,168,348	$ 635,220	$ 415,534	$ 415,119	$ 12,638,929	$ (969,706)	$ 11,669,223
Segment profit	$ 14,380	$ 38,887	$ 50,980	$ 32,657	$ 41,466	$ 178,370	$ (1,332)	$ 177,038
Segment assets	6,070,417	624,929	388,419	337,499	714,916	8,136,180	(129,107)	8,007,073
Other:								
Depreciation and amortization	252,429	39,252	17,982	9,455	11,650	330,768	1,985	332,753
Amortization of goodwill		93,234				93,234		93,234
Investment in entities accounted for using equity method	7,874					7,874	27,171	35,045
Increase of tangible and intangible fixed assets	295,576	88,107	33,710	12,664	7,027	437,084	34	437,118

Notes: "Other" includes Yamato System Development Co., Ltd. (development of information systems) .
Reconciliations are as follows:

(1) Reconciliations of segment profit for the years ended March 31, 2026 and 2025, of ¥213 million ($1,332 thousand) and ¥513 million, respectively, include group-wide expenses that are not allocated to each reportable segment (general administrative expenses of the Company, which is a pure holding company) of ¥5,981 million ($37,411 thousand) and ¥6,936 million, and intersegment eliminations of ¥5,768 million ($36,079 thousand) and ¥7,449 million, respectively.

(2) Reconciliations of segment assets at March 31, 2026 and 2025, of ¥20,642 million ($129,107 thousand) and ¥88 million, respectively, include intersegment eliminations of assets and liabilities of ¥161,562 million ($1,010,518 thousand) and ¥106,421 million, and group-wide assets which are not allocated to each reportable segment of ¥140,920 million ($881,411 thousand) and ¥106,333 million, respectively.

(3) Reconciliations of investments in entities accounted for using equity method at March 31, 2026 and 2025, of ¥4,344 million ($27,171 thousand) and ¥10,998 million, respectively, are investments that are not allocated to each reportable segment.

(4) Reconciliations of increases of tangible and intangible fixed assets for the years ended March 31, 2026 and 2025, of ¥5 million ($34 thousand) and ¥8,066 million, respectively, are the Company’s capital investment.

Segment profit is reconciled with operating profit in the consolidated statement of income.

Segment assets of the Express Business at March 31, 2026 and 2025, of ¥970,538 million ($6,070,417 thousand) and ¥963,281 million, respectively, include assets of the Head Office division of Yamato Transport Co., Ltd. of ¥370,128 million ($2,315,038 thousand) and ¥364,512 million, respectively.

Increase of tangible and intangible fixed assets of the Express Business for the years ended March 31, 2026 and 2025, of ¥47,257 million ($295,576 thousand) and ¥68,575 million, respectively, include the amount of increase of the Head Office division of Yamato Transport Co., Ltd. of ¥13,564 million ($84,837 thousand) and ¥12,688 million, respectively.

Amortization of goodwill of the Contract Logistics Business for the year ended March 31, 2026, of ¥14,906 million ($93,234 thousand) includes ¥13,434 million ($84,026 thousand) recorded as other expenses.

[Related Information about Reportable Segments]

(1) Information about Products and Services

Operating revenues from customers for the years ended March 31, 2026 and 2025, were as follows:

Millions of Yen		
2026		
TA-Q-BIN	Other	Total
¥ 1,408,897	¥ 456,778	¥ 1,865,675

Millions of Yen		
2025		
TA-Q-BIN	Other	Total
¥ 1,390,437	¥ 372,259	¥ 1,762,696

Thousands of U.S. Dollars		
2026		
TA-Q-BIN	Other	Total
$ 8,812,215	$ 2,857,008	$ 11,669,223

(2) Information about Geographical Areas

The disclosure of operating revenues by geographical areas for the years ended March 31, 2026 and 2025, were omitted since operating revenues to external customers in Japan account for more than 90% of the amount of operating revenues in the consolidated statements of income.

The disclosure of property, plant and equipment by geographical areas at March 31, 2026 and 2025, were omitted since property, plant and equipment in Japan account for more than 90% of the amount of property, plant and equipment in the consolidated balance sheet.

(3) Information about Major Customers

The disclosure of operating revenues by major customers for the years ended March 31, 2026 and 2025, were omitted since no customer accounted for more than 10% of sales in the consolidated statement of income.

(4) Information about Loss on Impairment of Long-Lived Assets by Reportable Segments

Loss on impairment of long-lived assets by reportable segments for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen							
	2026							
	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other	Total	Eliminations or Group-Wide	Consolidated
Loss on impairment of long-lived assets	¥ 193	¥ 1,031	¥ 2	¥ —	¥ —	¥ 1,226	¥ —	¥ 1,226

	Millions of Yen							
	2025							
	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other	Total	Eliminations or Group-Wide	Consolidated
Loss on impairment of long-lived assets	¥ 455	¥ 10	¥ 167	¥ —	¥ —	¥ 632	¥ —	¥ 632

	Thousands of U.S. Dollars							
	2026							
	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other	Total	Eliminations or Group-Wide	Consolidated
Loss on impairment of long-lived assets	$ 1,208	$ 6,449	$ 11	$ —	$ —	$ 7,668	$ —	$ 7,668

(5) Information about amortization and amounts of goodwill by reporting segments

Amortization and amounts of goodwill by reporting segments for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen							
	2026							
	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other	Total	Eliminations or Group-Wide	Consolidated
Amortization of goodwill	¥ —	¥ 14,906	¥ —	¥ —	¥ —	¥ 14,906	¥ —	¥ 14,906
Goodwill at March 31, 2026		921				921		921

	Millions of Yen							
	2025							
	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other	Total	Eliminations or Group-Wide	Consolidated
Amortization of goodwill	¥ —	¥ 368	¥ —	¥ —	¥ —	¥ 368	¥ —	¥ 368
Goodwill at March 31, 2025		15,827				15,827		15,827

	Thousands of U.S. Dollars							
	2026							
	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other	Total	Eliminations or Group-Wide	Consolidated
Amortization of goodwill	$ —	$ 93,234	$ —	$ —	$ —	$ 93,234	$ —	$ 93,234
Goodwill at March 31, 2026		5,760				5,760		5,760

Amortization of goodwill of the Contract Logistics Business for the year ended March 31, 2026, of ¥14,906 million ($93,234 thousand) includes ¥13,434 million ($84,026 thousand) recorded as other expenses.

20. RELATED PARTY DISCLOSURES

Transactions of the Group and related parties for the year ended March 31, 2026 were as follows:

							Millions of Yen				Thousands of U.S. Dollars	
							Transactions during the year ended March 31, 2026		Balance at March 31, 2026		Transactions during the year ended March 31, 2026	Balance at March 31, 2026
Category	Name of Company	Address	Paid-in Capital	Business	Ratio of Voting Rights	Relation with Related Party	Summary of Transaction	Transacted Amount	Title of Account	Amount	Transacted Amount	Amount
Affiliated company	Yamato Lease Co., Ltd	Toshima-ku, Tokyo	¥30 million	General Leasing	40.0%	Lease for vehicles etc.	Entering into a lease agreement	¥ 20,669	Lease obligations	¥ 33,009	$ 129,276	$ 206,458

Notes: Terms and conditions of transactions and policies for determining terms and conditions of transactions.
Prices and other terms and conditions of transactions are determined taking into account prevailing market conditions.

21. SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

In December 2024, the Company acquired 87.74% of the shares of Nakano Shokai Co., Ltd. As a result, it has become a consolidated subsidiary of the Company.

The assets and liabilities of Nakano Shokai Co., Ltd. at the time of acquisition, and the reconciliation between the acquisition price and the payment for the shares, are as follows:

	Millions of Yen
	2025
Current assets	¥ 23,056
Long-lived assets	53,493
Goodwill	16,195
Current liabilities	(16,058)
Long-term liabilities	(25,446)
Non-controlling interests	(4,296)
Acquisition price	46,944
Cash and cash equivalents	(11,636)
Net Payments for purchases of shares	¥ 35,308

In November 2024, the Company sold all of the shares of Yamato Dialog & Media Co., Ltd. As a result, Yamato Dialog & Media Co., Ltd. was excluded from the scope of consolidation.

The assets and liabilities of Yamato Dialog & Media Co., Ltd. At the time of sales and reconciliation between the selling price and the proceeds from sales of shares are as follows:

	Millions of Yen
	2025
Current assets	¥ 1,916
Long-lived assets	74
Current liabilities	(473)
Long-term liabilities	(8)
Gain on sales of shares	25
Selling price	1,534
Cash and cash equivalents	(1,318)
Net proceeds from sales of shares	¥ 216

22. SUBSEQUENT EVENTS

a . Transfer of Shares in a Subsidiary

At the Board of Directors meeting held on May 14, 2026, the Company resolved to transfer all of the shares it holds (70% of the issued shares) in its consolidated subsidiary, Yamato Credit Finance Co., Ltd. ("YCF"), to NJM5 Co., Ltd., a wholly owned subsidiary of Nojima Corporation (hereinafter the "Share Transfer").
As a result of the Share Transfer, the Company's voting rights ratio in YCF will decrease from 70% to 0%, and YCF is expected to be excluded from the scope of consolidation.

1.Reason for the Share Transfer

Since its establishment in 1974, YCF, the target company of the Share Transfer, has been developing various payment and financial services, primarily focusing on the individual credit purchase intermediary business. However, amid changes in the market environment and intensifying competition with IT payment service providers in recent years, the Company determined that continuous system investments in AI and other technologies, as well as the expansion of financial business know-how, are essential to realize YCF's growth and strengthen its competitiveness. Consequently, the Company concluded that transferring the business to a partner outside the Group is optimal.
Nojima Corporation, the effective partner in the Share Transfer, has a nationwide store network as a specialty digital home appliance retailer and is expanding the platform of its group's financial business. Therefore, the Company believes that by collaborating with the Nojima Group's business foundation, YCF can achieve stable and sustainable growth.

2. Name of the transferee of shares

NJM5 Co., Ltd.

3.Date of share transfer

September 1, 2026 (planned)

4. Name of the subsidiary and its description of business

(1) Name:	Yamato Credit Finance Co., Ltd.
(2) Description of business:	Credit (individual and comprehensive credit purchase intermediary), B2B accounts receivable settlement services, accounts receivable and movable property-backed loan services, and collection agency services.

5. Number of shares to be transferred and number of shares held after transfer

(1) Number of shares to be transferred:	589,400 shares
(2) Transfer price:	¥3,500 million ($21,891 thousand)
(3) Number of shares held after transfer:	0 shares (0.0% of voting rights)

6. Impact on operating performance

The Group is likely to record other expenses of approximately ¥9,000 million ($56,292 thousand) in the fiscal year ending March 31, 2027, in association with the transfer of consolidated subsidiary shares.

b. Appropriations of Retained Earnings

The following appropriation of retained earnings at March 31, 2026, was approved at the Company's Board of Directors meeting held on May 13, 2026:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥23 ($0.14) per share*	¥ 7,294	$ 45,624

* The total cash dividends approved at the Company’s Board of Directors meeting held on May 13, 2026, include the dividends of ¥11 million ($67 thousand) for the share of the Company held by "Board Benefit Trust (BBT)."

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Yamato Holdings Co., Ltd.:

<Audit of Consolidated Financial Statements>

Opinion

We have audited the consolidated financial statements of Yamato Holdings Co., Ltd. and its consolidated subsidiaries (the "Group"), which comprise the consolidated balance sheet as of March 31, 2026, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, including the ethical requirements that are relevant to audits of the financial statements of public interest entities, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

<table>
<tr><th colspan="2">Judgments on whether to recognize impairment losses on non-current assets related to Yamato Transport Co., Ltd.'s Express Business</th></tr>
<tr><th>Key Audit Matter Description</th><th>How the Key Audit Matter Was Addressed in the Audit</th></tr>
<tr><td>The Group provides delivery and other logistics services. As described in Note 3 to the consolidated financial statements, as of March 31, 2026, the Group's main assets subject to accounting standards related to impairment of non-current assets are property, plant and equipment of ¥469,156 million and intangible assets of ¥65,640 million (approximately 42% of the consolidated total assets). Among these balances, property, plant and equipment of ¥376,145 million and intangible assets of ¥376 million are attributed to the Express Business of Yamato Transport Co., Ltd. ("Yamato Transport"), a consolidated subsidiary. During the current consolidated fiscal year, as Yamato Transport's Express Business experienced continual operational losses, indications of impairment for these asset groups were identified. Despite this, Yamato Transport did not record impairment losses since the undiscounted future cash flows exceeded the carrying value of non-current assets.

Yamato Transport tracks indications of impairment in each asset group and judges whether to recognize impairment losses by comparing the total undiscounted future cash flows gained from asset groups in which indications of impairment were identified with their carrying value. When impairment losses must be measured, non-current assets are reduced to their recoverable amount, with this reduction being recorded as an impairment loss.

The undiscounted future cash flows used to judge whether to recognize impairment losses and the business plans that form their basis involve accounting judgments and assumptions. Of these, the business plan for Yamato Transport's Express Business includes the following as key assumptions: revenue conditions (e.g., delivery unit prices, delivery volumes, and demand trends for major customers), cost conditions due to changes in the external environment (e.g., resource/energy prices and hourly wage rates), and revisions to service delivery models for some transportation services and their resulting impact on profits and losses.

As mentioned above, the monetary materiality of the non-current assets of Yamato Transport's Express Business is high. In addition, the business plan that forms the basis for judging whether to recognize impairment losses in these asset groups includes significant assumptions such as revisions to the service delivery models for some transportation services, with subjective judgments made by management and uncertainties having a significant impact on the estimate of total undiscounted future cash flows. Therefore, we have identified judgments on whether to recognize impairment losses for these non-current assets as a key audit matter.</td><td>Our audit procedures related to examining judgments on whether to recognize impairment losses for the non-current assets of Yamato Transport's Express Business include the following, among others:

• We obtained an understanding of Yamato Transport's overall business environment through inquiry of the departments in charge and inspection of the minutes of the Board of Directors' meetings, the management meetings, and other important approval documents. Our understanding included information on delivery unit prices, delivery volume, external delivery resources, unit commission expenses, number of employees, the circumstances of labor management, and internal transfer of services between divisions.

• We obtained an understanding of the internal controls for judging whether to recognize impairment losses for the non-current assets of Yamato Transport's Express Business, which includes inspection methods and approvals by the management at the appropriate level of documents on judging whether to recognize impairment losses. At the same time, we evaluated the design and operating effectiveness of these internal controls.

• We tested the consistency of undiscounted future cash flows with future business plans that were approved at the Board of Directors' meetings. Furthermore, we evaluated the accuracy of future business plan estimates by comparing the business plans and actual results from prior fiscal years.

• To evaluate the feasibility and impact of revisions to service delivery models for some transportation services, a significant assumption contained in the business plan, we inquired with management and inspected minutes of the Board of Directors' meetings, as well as contracts and other relevant documentation related to these services.</td></tr>
</table>

Other Information

Other information comprises the information included in the Group's disclosure documents accompanying the audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

We determined that no such information existed and therefore, we did not perform any work thereon.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-Related Information>

Fees for audit and other services for the year ended March 31, 2026, which were charged by us and our network firms to Yamato Holdings Co., Ltd. and its subsidiaries were ¥492 million and ¥202 million, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC
July 10, 2026