The following is an English translation of the Notice of the 151st Ordinary General Meeting of Shareholders of Yamato Holdings Co., Ltd. The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy.

Stock code: 9064
June 2, 2016

Yamato Holdings Co., Ltd.
16-10, Ginza 2-chome, Chuo-ku, Tokyo
President: Masaki Yamauchi

To Our Shareholders

Notice of the 151st Ordinary General Meeting of Shareholders

You are cordially invited to attend the 151st Ordinary General Meeting of Shareholders of Yamato Holdings Co., Ltd. (hereinafter "the Company"), which will be held as described below.

If you are unable to attend the meeting in person, you can exercise your voting rights by using one of the following methods. Please review the "Reference Documents for the General Meeting of Shareholders," and exercise your voting rights. All votes must be received by 5:00 p.m., Thursday, June 23, 2016.

Voting by Mail

Please indicate your vote "for" or "against" each of the items on the enclosed Voting Rights Exercise Form, and return the form to the Company by the above time.

Voting via the Internet

Please access the Internet site for exercising voting rights designated by the Company. Then follow the instructions on the screen and enter your vote for each of the items by the above time. When exercising voting rights via the Internet, please review the "Exercise of Voting Rights via the Internet" on page 63.

The 151st Ordinary General Meeting of Shareholders

1. Date and Time: Friday, June 24, 2016, 10:00 a.m.

2. Venue: Ginza Blossom (Chuo Kaikan) Hall
15-6, Ginza 2-chome, Chuo-ku, Tokyo
(Please refer to the details on the last page.)

3. Objectives of Meeting

Matters to be reported:

1. Report of the Business Report, the Consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements for the 151st Fiscal Year (from April 1, 2015 to March 31, 2016)
2. Report of the Non-consolidated Financial Statements for the 151st Fiscal Year (from April 1, 2015 to March 31, 2016)

Matters to be resolved:

Agenda Item 1: Election of Five (5) Directors
Agenda Item 2: Election of One (1) Audit & Supervisory Board Member

4. Items Decided for the Convocation of Meeting

(1) Treatment of duplicate voting

In the event that you exercise your voting rights, both by mail and via the Internet etc., the vote via the Internet etc. shall be upheld as the valid exercise of your voting rights. In the event of multiple voting via the Internet etc., your last vote shall be upheld as the valid exercise of your voting rights.

(2) Diverse exercise of voting rights

In the event that you exercise your voting rights diversely, you are required to send notice providing the details and reasons in writing. Please note that you must ensure the notice arrives three days prior to the day of the General Meeting of Shareholders.

◎You are kindly requested to present the enclosed Voting Rights Exercise Form to the person at reception when you attend the meeting in person.

◎If any changes have been made to the items on the attached documents to this convocation notice and/or the Reference Documents for the General Meeting of Shareholders, such changes will be posted on our website (http://www.yamato-hd.co.jp/).

(Attached Documents)

Business Report

(From April 1, 2015 to March 31, 2016)

1. Status of the Corporate Group

(1) Operating Performance

In the fiscal year ended March 31, 2016, the economic environment was plagued by a lack of firm business sentiment despite high levels of corporate earnings, amid adverse effects of the economic slowdown in emerging nations and yen appreciation. With personal consumption, real wages have been languishing and buying behavior still remained stagnant amid deeply entrenched anxieties over the prospect of rising prices. Moreover, the Yamato Group also continued to face harsh operating circumstances as tight labor market conditions persisted.

Operating in this environment, we worked toward achieving the objectives of the Long-Term Management Plan “DAN-TOTSU Management Plan 2019” and the Medium-Term Management Plan “DAN-TOTSU Three-Year Plan STEP.” To that end, we focused on creation of a business model for generating substantial added value by building a premium-quality network to enable efficient logistics and fusing together the Group’s business resources.

In the Delivery Business, we achieved greater customer use of the new “TA-Q-BIN Compact” and “Nekopos” services launched in April 2015, due to increased sales to mail-order business operators and progress made in forming partnerships with flea market websites. Overall, revenues in the Delivery Business increased due to increased TA-Q-BIN delivery volume centered on our new services, but on the profit front, earnings decreased because growth in business generated by Kuroneko DM-Bin and the new services did not make up for the impact of our discontinuing the Kuroneko Mail service.

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

Our consolidated financial results for the fiscal year ended March 31, 2016 were as follows.

(Millions of yen)

Item	Fiscal 2015	Fiscal 2016	Change	Percentage change (%)
Operating revenue	1,396,708	1,416,413	19,704	1.4
Operating income	68,947	68,540	(406)	(0.6)
Ordinary income	70,889	69,426	(1,463)	(2.1)
Profit attributable to owners of parent	37,533	39,424	1,891	5.0

During the fiscal year ended March 31, 2016, we purchased treasury shares of 19.84 million shares, for a total acquisition cost of about 50.0 billion yen, and retired 24.22 million shares of treasury shares.

Initiatives for the entire Yamato Group

(i) The Yamato Group has been pursuing its “Value Networking” design, on the basis of creating business models for generating a high level of added value through the combined efforts of our respective businesses, while at the same time contributing to growth strategies and international competitive strengths of the Japanese economy. Meanwhile, we are also taking steps to forge a robust corporate culture that acts as a foundation for business creation and development.

(ii) To further promote our “Value Networking” design, we have been crafting business models that deliver a high level of added value by leveraging the Yamato Group’s business network. Also, to address varied customer needs in Japan and overseas, we have been making more effective use of our innovative network platform consisting of the “Haneda Chronogate,” “Atsugi Gateway” and “Okinawa International Logistics Hub” facilities, in addition to our existing “last mile” network.

(iii) We continued to drive initiatives geared toward forging a more robust corporate culture. To that end, we worked on enhancing the efficiency and dependability of operations, in part by improving our transport systems and by using our information technology network to enable visual monitoring of operating volumes. In addition, we redoubled our employee education efforts and focused on building systems for ensuring that we honor promises made to our customers. Moreover, we actively engaged in CSR-related activities linked to Yamato Group business endeavors, such as through environmental and safety measures, and efforts to prosper communities.

(iv) Given expectations for future growth in the mail-order market, we aggressively forged ahead with efforts to increase sales of the “YES!” (Yamato Ec Solutions) service which involves drawing on capabilities of the Group in providing packages of services in order to serve that market. We also commenced operations of our “Southern Gate” global logistics center in Okinawa, and in that regard have been promoting sales of solutions that provide one-stop services involving everything from manufacturing to storage and delivery, targeting business operators involved in cross-border mail order and other business geared to overseas markets.

(v) For our corporate clients, we forged ahead with efforts to increase sales of our “Yamato Cloud Depot” service which enables them to make use of our 4,000 TA-Q-BIN centers nationwide as hubs for their own business operations. In developing such solution sales, we are supporting the growth of customer businesses by helping them boost salesforce productivity and reduce back office workloads at their sales locations, drawing on business resources of the Yamato Group.

(vi) In our business looking toward overseas markets, we have been actively promoting efforts to build networks in Southeast Asia, through initiatives that included forging a business and capital alliance with a major parcel delivery company in Malaysia. We have been working to strengthen our international logistics operations which offer added-value in growing Asian markets, thereby forging ahead with expansion of our international cold chain business. For instance, during the fiscal year ended March 31, 2016, we launched sales of the “International Cool TA-Q-BIN” service looking toward Singapore and Malaysia, following on such initiatives in Hong Kong and Taiwan.

(vii) We have been taking aggressive action to reduce costs through efforts that include implementing thorough controls on costs linked to operating volumes and also pursuing measures to improve productivity, amid a deteriorating external cost environment marked by a tightening labor market.

Business strategies of each business segment

Delivery

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

(Million parcels / units)

Item	Fiscal 2015	Fiscal 2016	Change	Percentage change (%)
TA-Q-BIN	1,622	1,731	109	6.7
Kuroneko DM-Bin	1,901	1,536	(364)	(19.2)

Results shown for Kuroneko DM-Bin in the fiscal year ended March 31, 2015 are those of the Kuroneko Mail service.

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

(ii) In the growing mail order market, we have been actively engaging in efforts to expand sales. For instance, we have launched the two new "TA-Q-BIN Compact" and "Nekopos" services which enable customers to send small parcels simply at reasonable fees, and have also been pursuing alliances with multiple flea market websites. We also launched our new "Kuroneko DM-Bin" mailbox posting service which takes the place of our Kuroneko Mail service which was discontinued as of the previous fiscal year, thereby enabling us to respond to demand in areas such as direct mail sent by corporate clients. Aiming to improve the convenience of customers receiving parcels, we collaborated with a major communications application to establish an environment whereby customers can easily receive advanced notice of scheduled delivery times and use the parcel inquiry service. In addition, we have entered into a basic agreement looking toward establishment of a joint venture to set up and operate an open-type infrastructure of parcel lockers in conjunction with a major French manufacturer of postal service-related equipment.

(iii) With respect to corporate clients, we have been leveraging our front-line business network to gather customer information to make use of in actively proposing solutions tailored to our clients' management objectives. We worked to boost profitability by making proposals that provide high added value using the Group's business resources. Moreover, we also continue to promote measures that would ensure collection of adequate fees for the task of providing consistent quality with respect to deliveries.

(iv) In our business geared toward revitalizing communities, we have been taking steps to improve services for residents by collaborating with numerous municipalities and companies in efforts to provide support with regard to helping those who face difficulties doing their shopping and watching over elderly residents. Moreover, we have also been helping to revitalize local industry through initiatives that include lending support for enabling communities to sell more locally produced products by offering swift delivery to Asia of perishable goods and other agricultural products in a manner that ensures that they stay fresh.

(v) Operating revenue amounted to 1,111,867 million yen, up 0.8% from the year-ago period due to an increase in TA-Q-BIN delivery volume primarily among large operators of mail-order businesses. As for profits, operating income amounted to 38,190 million yen, down 3.6% from the year-ago period as growth of volumes in the new services failed to make up for the adverse impact of discontinuing the Kuroneko Mail service.

BIZ-Logistics

(i) In the BIZ-Logistics Business, the Yamato Group is providing customers with innovative logistics systems by combining management resources such as the TA-Q-BIN network with logistics functions, maintenance and recall handling functions, cleansing functions for medical devices and international transportation functions.

(ii) For the mail-order industry, we are offering one-stop services involving various types of logistical support in line with customer needs, including support for facilitating everything from placing and accepting orders to visual monitoring of inventories and enabling speedier shipments. In the fiscal year ended March 31, 2016, volume handled increased largely due to the progress in gaining new customers.

(iii) With respect to our product maintenance and recall services, we have been developing integrated services where we handle collection, repair and returns of faulty products, while also expanding total support services for dealing with corporate product recalls. In the fiscal year ended March 31, 2016, these operations generated firm revenues due to factors that included increased use of the “Kuroneko Extended Warranty Service” particularly among large mail-order and consumer electronics business operators.

(iv) For medical service providers, we have been developing medical device loaner support (storage, cleaning and delivery) and other services that help revolutionize logistics operations. During the fiscal year ended March 31, 2016, the segment achieved revenue growth amid a steadily increasing volume of business mainly from existing customers.

(v) Operating revenue amounted to 106,822 million yen, up 2.9% from the year-ago period due to favorable results generated from mail-order services and services related to medical devices. Operating income was 4,905 million yen, up 4.8% from the year-ago period.

Home Convenience

(i) In the Home Convenience Business, we are working toward enabling customers to achieve greater convenience and comfort in their lives through lifetime lifestyle support businesses and corporate enterprise support business that draw on the Yamato Group’s nationwide network.

(ii) With respect to individual customers, the Yamato Group operated a variety of services to assist in daily life such as the “Raku Raku Household TA-Q-BIN” service for delivering large furniture items and home appliances and moving-related services. In the fiscal year ended March 31, 2016, services in this area gained more widespread use as we aggressively forged ahead with efforts to increase sales. Initiatives in this regard included the addition of home appliance cleaning and other offerings to the list of options provided through the “Comfortable Lifestyle Support Service,” which aims to help customers resolve everyday inconveniences associated with house cleaning, home organization and storage, and collection of unwanted items.

(iii) For our corporate clients, we have been developing our “Technical Network Business” where we combine the networks of the Yamato Group and our construction and installation contractors so that we can provide one-stop support in handling everything from household equipment delivery and set-up, to installation and maintenance of such equipment, as well as business support services such as office-related services and procurement services for sourcing goods. In the fiscal year ended March 31, 2016, the segment achieved revenue growth amid a strong showing from our office-related services.

(iv) Operating revenue amounted to 48,981 million yen, up 1.0% from the year-ago period due to favorable volumes of use of office-related services and procurement services. As for profits, the segment posted an operating income of 1,146 million yen, up 87.0% from the year-ago period as a result of initiatives to improve rates of capacity utilization on weekdays.

e-Business

(i) In the e-Business, the Yamato Group helps customers streamline their business processes and solve potential issues by proactively conducting solution platform business that combine logistics technology and financial technology with information technology. In addition, to help accelerate growth of Yamato Group businesses, we have been moving beyond conventional information technologies through efforts geared to promoting use of emerging technologies that harness artificial intelligence (AI), the Internet of things (IoT) and other such innovations.
(ii) With respect to services for assisting with order-acceptance and dispatching operations, the Yamato Group provides a “Web-based Shipment Control” that comprehensively supports such operations as dispatch information processing, printing of delivery slips, and freight tracking. In the fiscal year ended March 31, 2016, use of this service increased particularly among our existing large-lot customers, against a backdrop that included mail-order market growth.
(iii) For telecommunications equipment business operators and other customers whose needs involve managing products on an individual basis, the Yamato Group has been developing its “setup and logistics solutions business” which offers services that involve bringing tasks of affixing data to products and partial processing of merchandise into alignment with information system functions such as serial acceptance/dispatch control in warehouses and inventory tracking. In the fiscal year ended March 31, 2016, these services attracted favorable volumes of use primarily among our customers who are new entrants in the telecommunications equipment business.
(iv) In its e-money related services, the Yamato Group offers solutions through collaboration between the e-Business and the Financial Business, and provides services that involve installation and operation of “Multi e-money Settlement Terminals” that allow settlements in multiple types of e-money using a single device. During the fiscal year ended March 31, 2016, the segment achieved revenue growth due to increased sales from the e-money settlement system geared toward the amusement industry.
(v) Operating revenue amounted to 43,357 million yen, up 7.1% from the year-ago period due to factors such as progress made in expanding sales involving e-money settlement systems, as well as greater volume of business in the “setup and logistics solutions business.” Operating income was 9,009 million yen, up 16.1% from the year-ago period mainly due to the continued progress in controlling system development costs.

Financial

(i) In the Financial Business, the Yamato Group has been developing settlement and financial services tailored to a range of customer needs for payment collection of mail-order products, B2B transaction settlement, and vehicle leasing.
(ii) With respect to our payment settlement services, in addition to providing our mainstay service “TA-Q-BIN Collect,” we have also been promoting increased customer use of both our “Kuroneko Web Collect” comprehensive internet-based transaction settlement service and our e-money settlement services. In the fiscal year ended March 31, 2016, we provided a wide range of payment settlement services to our customers and concurrently worked to increase profitability by promoting use of our “Kuroneko Web Collect” and “Kuroneko Pay After Delivery” services to our customers who use the “TA-Q-BIN Collect”

service. With our e-money related services, we persisted in our efforts to increase sales generated by our “Multi e-money Settlement Terminals” rental service.

(iii) In the lease services business, we achieved revenue growth by making proposals that involve total solutions related to the Group’s network and vehicles. In addition to financial leasing primarily involving trucks, this also includes leasing of previously-owned cars linked with purchase upon lease expiration or re-use of such vehicles.

(iv) Operating revenue amounted to 72,455 million yen, up 8.7% from the year-ago period due to increased use of our payment settlement for operators of mail-order businesses and other factors such as an increase in contracts for truck leases in the lease services business. As for profits, operating income was 8,685 million yen, down 2.9% from the year-ago period largely due to lackluster results with respect to volume handled through our mainstay TA-Q-BIN Collect service.

Autoworks

(i) In the Autoworks Business, the Yamato Group develops its “24-hour-a-day, 365-day-a-year service that enables customers to service their vehicles without stopping operation,” thereby providing value to logistics operations and logistics service providers primarily in the form of “improvement of vehicle maintenance convenience” and “reduced maintenance expenses.” Furthermore, to better provide one-stop service solutions geared toward customer business operations, we have added services for “maintaining and safeguarding logistics facilities and equipment, and improving such workplace environments,” along with “offering insurance plans tailored to customer risk management needs” which provide coverage for such assets.

(ii) In the fiscal year ended March 31, 2016, we took steps to improve quality through initiatives that included initiating operations of the new Superworks Kobe Plant business location and further strengthened our business network, and newly launching sales of our “distribution facilities management” services which provide support to customers with respect to managing logistics facilities and equipment. We also aggressively marketed out “Repairworks” services entailing periodic on-site customer visits.

(iii) Operating revenue amounted to 24,458 million yen, down 9.9% from the year-ago period mainly due to lower unit price of fuel. Operating income was 3,372 million yen, down 9.7% from the year-ago period.

Other

(i) The “JITBOX Charter service” provides transportation by transport box. The service takes advantage of its network consisting of multiple companies and provides added value to customers through timely delivery and frequent, right-volume delivery. In the fiscal year ended March 31, 2016, use of the service steadily increased partially as a result of having developed new freight settlement options and otherwise taking steps to heighten customer convenience made possible through the service, and also due to favorable results from existing service offerings.

(ii) Operating income in Other excluding dividends which Yamato Holdings Co., Ltd. received from the Group companies increased 84.1% from the year-ago period to 2,107 million yen.

CSR Initiatives

(i) The Yamato Group places utmost priority on protecting human life and conducts a range of safety measures. In that regard, we have been carrying out our “Zero Accident Campaign” which is a safety campaign deployed horizontally throughout the entire Group including our TA-Q-BIN operators overseas. Furthermore, we held the “Yamato Transport Nationwide Safety Competition,” and engaged in efforts to enhance the skills of the Group’s professional drivers with respect to safe vehicle operation, while also heightening safety awareness and improving driving skills on a Group-wide basis. In addition, since 1998 we have been holding our “Safety Classes for Children,” through which we convey the importance of traffic safety, in day care facilities, kindergartens and elementary schools across Japan. A total of more than 2.80 million people have now participated.

(ii) The Yamato Group works to ensure that its distribution mechanisms are environmentally sound, under its policy of “Nekology” (combining “Kuroneko” with “ecology”) for promoting its environmental conservation initiatives. In the fiscal year ended March 31, 2016, we received the “Modal Shift Excellent Business Entity Award (grand prize)” at the “13th Annual Awards Ceremony for Excellent Business Entities Working on Modal Shift” in recognition of our efforts to increasingly shift to more suitable modes of transportation by making use of railways when shipping freight originating in the Kyushu region and bound for the Kanto region. We also hold “Kuroneko Yamato Environmental Class” sessions designed to provide support for environmental education of children who will bear responsibilities of the next generation. We have held such classes on an ongoing basis nationwide since 2005, attracting about 220 thousand participants so far.

(iii) Aspiring to be a company that continually evolves in step with society, led by Yamato Welfare Foundation, the Yamato Group conducts various activities to help realize a society in which disabled people can freely enjoy a lifestyle as a member of the workforce. Specifically, we engage in ongoing programs that support economic independence of people with disabilities, such that include actively employing people with disabilities at the Swan Bakery which makes and sells bread, providing them with workplaces through the consigned delivery of Kuroneko DM-Bin, and operating job-finding support facilities where they take part in training to acquire skills and knowledge necessary for employment.

(iv) Aiming to create more sustainable social value, the Yamato Group promotes initiatives for sharing value with society based on “Creating Shared Value (CSV).” In the fiscal year ended March 31, 2016, we promoted initiatives for improving lifestyle services offered to residents of local communities and revitalizing local industry. For instance, this included launching our “combined passenger-cargo” operations where we make use of scheduled-route passenger buses to transport TA-Q-BIN items within certain zones. Moreover, we continued to engage in efforts geared toward extending a diverse range of services leveraging the business resources of the Yamato Group, such as by helping to watch over elderly residents and lending support for community revitalization efforts. As a result, we have worked with government bodies on 1,459 such endeavors thus far.

(2) Issues to Be Addressed

With the aim of achieving satisfaction among our shareholders, customers, society and employees, the Yamato Group will pursue the following strategies on the basis of the long-term business plan “DAN-TOTSU Management Plan 2019” and the medium-term business plan “DAN-TOTSU Three-Year Plan STEP” initiated in April 2014.

(i) We will contribute to Japanese economic growth strategies by pushing ahead with our “Value Networking” design which aspires to revolutionize logistics. We will persist with efforts to further develop our “last mile” network, the greatest strength of the Yamato Group, by making use of our “Haneda Chronogate,” “Atsugi Gateway” and “Okinawa International Logistics Hub” facilities. Furthermore, we will work toward creating and developing a business model that can generate a high level of added value that improves logistics speed, quality and costs, by fusing our business resources in areas such as information, logistics and transaction settlement within this network.

(ii) With respect to establishing business foundations in overseas markets primarily in Asia, we will promote cross-border opportunities leveraging the Yamato Group’s capabilities such as those available through the “Okinawa International Logistics Hub.” We will make the notion of a borderless logistics network that provides value-added functions a reality by engaging in efforts to expand our cold chain business primarily in Asia. In part, we have launched a project in collaboration with international standards-setting organizations in March 2016 geared to establishing the world’s first international standard pertaining to chilled and frozen goods delivery services.

(iii) With respect to the mail-order market which is poised for further growth, we will engage in aggressive marketing efforts involving our “TA-Q-BIN Compact” and “Nekopos” services, and address emerging needs with respect to small-parcel delivery. We will also continue to provide highly convenient services to our corporate customers who used our Kuroneko Mail service for sending direct mail and other items, by offering them our new “Kuroneko DM-Bin” mailbox posting service. In addition, we will ramp up sales of our “YES!” (Yamato Ec Solutions) service and leverage the Yamato Group’s business resources with the aim of further supporting growth in the mail-order market by embarking on new entries involving mail order business operators while helping them expand their operations.

(iv) Our efforts to forge a robust corporate culture will involve placing top priority on ensuring levels of quality that instill customer confidence while increasing employee satisfaction, strengthening both legal and financial governance, and pursuing CSR initiatives.

(v) We will place top priority on maintaining service quality levels as we strive to heighten productivity and control costs across every aspect of Group operations, including collection and delivery, back-office and sorting operations. Meanwhile, for the proprietary services and value-added business models provided by the Yamato Group, we will increasingly enhance our ability to generate profits by promoting our strategy of pricing adequately in line with costs.

(vi) In addressing the issue of the labor shortage as it extends into the future, we will promote diversity initiatives and secure new sources of labor by creating a greater variety of job formats and developing a greater range of opportunities that make it possible for women, seniors, foreign nationals and others to actively flourish in the workplace.

(vii) We will build a platform that links us with government bodies and corporations in various regions throughout Japan, with the aim of providing support to people in their daily lives and revitalizing their local communities. We will strive to become the group of companies which is the most appreciated and trusted by society by creating value that can be shared among corporations and society through our core operations.

Through the Group’s unified efforts, Yamato will create greater corporate value.

We look to the continued understanding and support of our shareholders and investors.

(3) Business Performance and Changes in Financial Position

(Millions of yen)

Item	FY2013 148th	FY2014 149th	FY2015 150th	FY2016 151st
Operating revenue	1,282,373	1,374,610	1,396,708	1,416,413
Profit attributable to owners of parent	35,144	34,776	37,533	39,424
Basic earnings per share (Yen)	81.85	82.22	90.41	96.45
Total assets	950,152	1,032,134	1,082,531	1,089,436
Net assets	542,914	560,172	571,199	543,855
Net assets per share (Yen)	1,261.35	1,316.12	1,368.66	1,349.56

Notes: 1. The Company has applied provisions of Paragraph 39 of the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), etc., and has accordingly made changes in presentation from net income to profit attributable to owners of parent. To reflect these changes, the Company has restated its results up to the previous fiscal year.

2. Basic earnings per share is calculated based on the average number of shares outstanding in each fiscal year and net assets per share is calculated based on the total number of shares outstanding at the end of each fiscal year.

(4) Delivery Volume of Small Parcels

(Million parcels / units)

Item	FY2013 148th	FY2014 149th	FY2015 150th	FY2016 151st
TA-Q-BIN	1,487	1,665	1,622	1,731
Kuroneko DM-Bin	2,112	2,084	1,901	1,536

Note: Results shown for Kuroneko DM-Bin up to the previous fiscal year are those of the Kuroneko Mail service.

(5) Principal Business Activities

The Yamato Group is active in the following business areas:

Business area	Content of business
Delivery	Small parcel delivery services for the general public and corporations centering on TA-Q-BIN (door-to-door parcel delivery, Kuroneko DM-Bin, and domestic air cargo transport business, etc.)
BIZ-Logistics	Logistics services for corporations (logistics, medical products distribution services, Maintenance Support Service, recall support service, international intermodal transportation service, and overseas lifestyle support services, etc.)
Home Convenience	Lifestyle support services for individual customers, business support services for corporate customers (pickup, delivery and installation of household goods and electric appliances, moving and lifestyle support services, and merchandising services, etc.)
e-Business	Outsourcing services for information processing and information system development business (system development, sales of system package solutions, distribution information services, and information security service, etc.)
Financial	Settlement services and financial products targeting business customers and general consumers (TA-Q-BIN Collect service, Internet total settlement service, Business-to-business logistics settlement service and comprehensive lease services, etc.)
Autoworks	Collective vehicle management agent business for transportation companies (vehicle maintenance business, fuel sales, and nonlife insurance agent business, etc.)
Other	Business-to-business logistics services by JITBOX Charter and shared services, etc.

(6) Capital Expenditure

The capital expenditure for fiscal 2016 totaled 60,508 million yen and the principal components were as follows:

(Millions of yen)

Business area	Company	Content of investment	Amount invested
Delivery	Yamato Transport Co., Ltd.	Purchase of vehicles (3,103 units)	13,969
		Chubu Gateway	5,844
		Kansai Gateway	2,392
Financial	Yamato Lease Co., Ltd.	Purchase of vehicles for leasing	25,858

(7) Financing Activities

The Company procured funds of 20,000 million yen through the first and second round of unsecured bonds issued during fiscal 2016. This procurement of funds was carried out to undertake investment which includes strategic investment geared to building the parcel delivery network in the Southeast Asia region as well as investment geared to making pick-up of TA-Q-BIN deliveries more convenient.

(8) Principal Creditors

(Millions of yen)

Creditors	Outstanding borrowing
Mizuho Bank, Ltd.	77,591
Sumitomo Mitsui Banking Corporation	40,733
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	11,352

Note: The above refers to ongoing credit in the Financial segment.

(9) Employees

(Persons)

Business area	Number of employees	Changes from previous fiscal year-end
Delivery	175,460	(1,014)
BIZ-Logistics	5,824	240
Home Convenience	5,246	55
e-Business	4,925	13
Financial	852	(10)
Autoworks	2,040	143
Other	2,235	99
Total	196,582	(474)

Note: The above numbers include 107,470 part timers (a year-on-year decrease of 1,339).

(10) Vehicles

(Units)

Business area	Number of vehicles	Changes from previous fiscal year-end
Delivery	45,526	(152)
BIZ-Logistics	968	(10)
Home Convenience	2,104	(90)
e-Business	141	(5)
Financial	656	27
Autoworks	723	22
Other	754	64
Total	50,872	(144)

(11) Major Subsidiaries

Business area	Company	Capital stock	Ownership	Principal business activities
		(Millions of yen)	(%)	
Delivery	Yamato Transport Co., Ltd.	50,000	100.00	TA-Q-BIN; Kuroneko DM-Bin
	Okinawa Yamato Transport Co., Ltd.	50	100.00	TA-Q-BIN, Kuroneko DM-Bin in Okinawa
	Yamato Global Express Co., Ltd.	1,000	100.00	Domestic air cargo transport business
BIZ-Logistics	Yamato Logistics Co., Ltd.	1,000	100.00	Logistics service; overseas lifestyle support services including international moving, fine art transport business
	Yamato Global Logistics Japan Co., Ltd.	1,880	100.00	International air cargo service, handling of marine cargo, import/export customs clearance services
	Yamato Multi-Maintenance Solutions Co., Ltd.	100	100.00	Maintenance and repair services for electric appliances; manufacturer recall support services
	Yamato Packing Service Co., Ltd.	80	100.00	Packing, delivery and export agency operations business; enclosing, sealing, packaging and transport of printed matter
	YAMATO TRANSPORT U. S. A., INC.	US$ 4,659,000	100.00	Air and sea freight, international moving, and import and export customs clearance services in North America
Home Convenience	Yamato Home Convenience Co., Ltd.	480	100.00	Delivery, installation and setting up of furniture and electric appliances; moving and lifestyle support services; merchandising services
e-Business	Yamato System Development Co., Ltd.	1,800	100.00	Networking service; research, development, information, and consulting services for users of computer systems; software development, equipment sales, and online services
Financial	Yamato Financial Co., Ltd.	1,000	100.00	Collection service for payment of merchandise
	Yamato Lease Co., Ltd.	30	100.00	General lease services
Autoworks	Yamato Autoworks Co., Ltd.	30	100.00	Vehicle management service business; vehicle maintenance service; sales of fuel and auto parts; repair and sales of freezers, refrigerators and cargo-handling delivery equipment; agent services for general insurance
Other	YAMATO ASIA PTE. LTD.	S$ 352,921,364	100.00	Management of regional operations in Southeast Asia, business development and market research

Note: The status of a specified wholly owned subsidiary company as of March 31, 2016 is as follows.

(Millions of yen)

Company	Location	Book value of the shares in the Company	Total assets of the Company
Yamato Transport Co., Ltd.	16-10, Ginza 2-chome, Chuo-ku, Tokyo	239,575	522,348

(12) Major Offices

Business area	Company	Head office location	Number of offices (stores)
Delivery	Yamato Transport Co., Ltd.	Chuo-ku, Tokyo	6,461
	Okinawa Yamato Transport Co., Ltd.	Itoman City, Okinawa	37
	Yamato Global Express Co., Ltd.	Minato-ku, Tokyo	289
BIZ-Logistics	Yamato Logistics Co., Ltd.	Chuo-ku, Tokyo	98
	Yamato Global Logistics Japan Co., Ltd.	Chuo-ku, Tokyo	42
	Yamato Multi-Maintenance Solutions Co., Ltd.	Chuo-ku, Tokyo	22
	Yamato Packing Service Co., Ltd.	Koto-ku, Tokyo	18
	YAMATO TRANSPORT U. S. A., INC.	New Jersey, U.S.A.	31
Home Convenience	Yamato Home Convenience Co., Ltd.	Chuo-ku, Tokyo	170
e-Business	Yamato System Development Co., Ltd.	Koto-ku, Tokyo	42
Financial	Yamato Financial Co., Ltd.	Chuo-ku, Tokyo	81
	Yamato Lease Co., Ltd.	Toshima-ku, Tokyo	66
Autoworks	Yamato Autoworks Co., Ltd.	Chuo-ku, Tokyo	110
Other	Yamato Holdings Co., Ltd.	Chuo-ku, Tokyo	1
	YAMATO ASIA PTE. LTD.	Singapore	1

2. Overview of Shares (As of March 31, 2016)

(1) Total Number of Shares Authorized: 1,787,541,000 shares

(2) Number of Shares Issued: 411,339,992 shares

Note: The number of shares issued decreased by 24,224,800 shares from the end of the previous year due to the retirement of treasury shares carried out on August 13, 2015 and March 31, 2016.

(3) Number of Shareholders: 35,079 persons

(4) Principal Shareholders

Shareholders	Number of shares owned	Ownership percentage
	(Thousands of shares)	(%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	33,370	8.37
State Street Bank and Trust Company 505223	26,222	6.58
Japan Trustee Services Bank, Ltd. (Trust Account)	20,056	5.03
Yamato Employees' Shareholding Association	17,975	4.51
Mizuho Bank, Ltd.	14,647	3.68
Nippon Life Insurance Company	14,270	3.58
Meiji Yasuda Life Insurance Company	12,264	3.08
Yamato Trading-Partner Shareholding Association	8,735	2.19
State Street Bank West Client Treaty 505234	6,099	1.53
Sompo Japan Nipponkoa Insurance Inc.	6,033	1.51

Notes: 1. The Company holds 12,823,544 of its own shares as treasury shares, but this does not include voting rights. Therefore, the Company has been omitted from the above list of principal shareholders.

2. Ownership percentage is calculated exclusive of own shares.

3. Officers and Executives

(1) Directors and Audit & Supervisory Board Members

Position	Name	Responsibilities and important concurrent positions at other organizations
Representative Director and Chairman	Makoto Kigawa	
Representative Director, President and Executive Officer	Masaki Yamauchi	
Representative Director, Vice President and Executive Officer	Haruo Kanda	Representative Director and Chairman of Yamato Transport Co., Ltd.
Director and Advisor	Kaoru Seto	
Director	Toshitaka Hagiwara	Adviser of Komatsu Ltd. Outside Director of Zensho Holdings Co., Ltd. Outside Director of Hino Motors, Ltd. Outside Director of Takamatsu Construction Group Co., Ltd.
Director	Masakatsu Mori	Vice Chairman of the International University of Japan (IUJ) Board of Director of SKY Perfect JSAT Holdings Inc. Board of Director of Stanley Electric Co., Ltd. Outside Audit & Supervisory Board Member of Kirin Holdings Company, Limited
Full-time Audit & Supervisory Board Member	Kazuko Takahara	
Full-time Audit & Supervisory Board Member	Etsuo Ogawa	
Audit & Supervisory Board Member	Motoharu Yokose	Corporate Advisor of Asahi Tax Corporation Executive Director of Nomura Real Estate Private REIT, Inc.
Audit & Supervisory Board Member	Hiroyuki Kanae	Attorney at law

Notes:
1. Toshitaka Hagiwara and Masakatsu Mori serve as Outside Directors.
2. Motoharu Yokose and Hiroyuki Kanae serve as Outside Audit & Supervisory Board Members.
3. The Company appoints all Outside Directors and Outside Audit & Supervisory Board Members as independent officers provided under the provisions of the Tokyo Stock Exchange, Inc. and registers the individuals as such with that exchange.
4. Etsuo Ogawa, Audit & Supervisory Board Member, has experienced Director, responsible for Financing and Accounting of the Company and possesses considerable insights into finance and accounting related matters.
5. Motoharu Yokose, Audit & Supervisory Board Member, is a qualified Certified Public Accountant and Tax Accountant, and possesses considerable insights into finance and accounting related matters.
6. Hiroyuki Kanae, Audit & Supervisory Board Member, is conversant with corporate legal affairs as an attorney and possesses considerable insight into finance and accounting related matters.
7. On June 22, 2015, Toshitaka Hagiwara, Director, resigned from the post as Outside Audit & Supervisory Board Member of Hino Motors, Ltd. and assumed the post as Outside Director of the said company.
8. Motoharu Yokose, Audit & Supervisory Board Member, has resigned from his position as Supervisory Director of Nomura Real Estate Residential Fund, Inc. upon its dissolution upon having undergone a merger as of October 1, 2015.

9. There are no significant relationships between the Company and the other organizations where concurrent positions are held by Outside Directors and Outside Audit & Supervisory Board Members.

(2) Limited Liability Agreements

The Company's Articles of Incorporation allow for the conclusion of agreements with Directors (excluding Executive Directors, etc.) and Audit & Supervisory Board Members limiting liability stipulated in the Companies Act, Article 423, Paragraph 1. Thus, the Company has concluded Limited Liability Agreements with Directors, Kaoru Seto, Toshitaka Hagiwara, Masakatsu Mori, and all Audit & Supervisory Board Members based on the Articles of Incorporation. The amount of liability allowed for in those agreements is as per the minimum amount of liability provided for under the Companies Act, Article 425, Paragraph 1.

(3) Amount Paid as Remuneration to Directors and Audit & Supervisory Board Members

1) Total Amount Paid as Remuneration

Position	Number paid	Amount paid	Remarks
	Persons	Millions of yen	
Directors	6	328	Including 18 million yen for 2 Outside Directors
Audit & Supervisory Board Members	4	48	Including 12 million yen for 2 Outside Audit & Supervisory Board Members
Total	10	376	

2) Total Amount of Officer Remuneration Received by Outside Officers from Subsidiaries of the Company

During the fiscal year ended March 31, 2016, total remuneration received from subsidiaries of the Company by outside officers acting as officers amounted to 5 million yen.

(4) Outside Officers

Principal Activities

Position	Name	Principal activities
Director	Toshitaka Hagiwara	Attended all 18 meetings of the Board of Directors held in fiscal 2016, and provided necessary comments and advice on overall management as appropriate from his perspective as a manager with rich experience and profound critical insight.
Director	Masakatsu Mori	Attended 15 of 18 meetings of the Board of Directors held in fiscal 2016, and provided necessary comments and advice on overall management as appropriate from his perspective as a manager with rich experience and profound critical sight.
Audit & Supervisory Board Member	Motoharu Yokose	Attended all 18 meetings of the Board of Directors held in fiscal 2016, and offered necessary comments based on his expertise and rich experience in finance and accounting. Furthermore, he attended all 15 meetings of the Audit & Supervisory Board together with all regular exchanges held between the Representative Director and President and Outside Directors and the Audit & Supervisory Board Members. He submitted questions mainly concerning finance and accounting, and examined the execution of the Directors' duties.
Audit & Supervisory Board Member	Hiroyuki Kanae	Attended all 18 meetings of the Board of Directors held in fiscal 2016, and offered necessary comments based on his expertise and rich experience as an international attorney. Furthermore, he attended all 15 meetings of the Audit & Supervisory Board with all regular exchanges held between the Representative Director and President and Outside Directors and the Audit & Supervisory Board Members. He submitted questions mainly concerning foreign operation risk, and examined the execution of the Directors' duties.

4. Accounting Auditor

(1) Name Deloitte Touche Tohmatsu LLC

(2) Amount Paid as Remuneration to Accounting Auditor for the Fiscal Year

(Millions of yen)

Type of remuneration	Amount paid
(1) Remuneration paid or payable to the Accounting Auditor concerning the operation prescribed in the Certified Public Accountant Act, Article 2, Paragraph 1	197
(2) Remuneration other than (1)	3
(3) Remuneration to be paid to the Accounting Auditor by the Company and subsidiaries	200

Note: The Audit & Supervisory Board furnished its consent with respect to remuneration payable to the Accounting Auditor upon having verified as necessary content of the Accounting Auditor's audit plan, circumstances with respect to performing duties of the accounting audit, the basis for calculating estimates of the remuneration and other such details.

(3) Policy on Dismissal or Non-Reappointment of Accounting Auditor

If the Company's Audit & Supervisory Board recognizes a fact about the Accounting Auditor, as the Company's accounting auditor, that falls under the matters prescribed in each item of Article 340, Paragraph 1 of the Companies Act, it shall deliberate on the dismissal of the Accounting Auditor based on the fact, and dismiss the Accounting Auditor based on the consent of all members of the Audit & Supervisory Board.

If the Company's Audit & Supervisory Board recognizes a fact deemed to show that the audit quality and other standards of the Accounting Auditor, as the Company's accounting auditor, are insufficient for performing audit services, it shall deliberate on the non-reappointment of the Accounting Auditor based on the fact, and resolve on an agenda item for the non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.

(4) Non-Audit Services

The Company entrusts the Accounting Auditor with services that have involved comfort letter preparation associated with the first and second round issuance of unsecured bonds as non-audit services outside the scope of services stipulated in Article 2, Paragraph 1 of the Certified Public Accountant Act.

5. Corporate Governance and Company Policy, and Operational Status

(1) Corporate Framework Ensuring that Execution of Duties by Directors of the Company Complies with Laws and Regulations and the Articles of Incorporation, and Other Systems for Ensuring the Proper Operation of the Corporate Group Consisting of the Company and its Subsidiaries

In accordance with the Companies Act and the Enforcement Regulations of the Companies Act, the Company has established Policy to develop its internal control system.

1) Corporate framework ensuring that execution of duties by directors of the Company complies with laws and regulations and the Articles of Incorporation, and other systems for ensuring the proper operation of the corporate group consisting of the Company and its subsidiaries

   i. To ensure that execution of duties by directors of the Company complies with laws and regulations and the Articles of Incorporation, and to ensure the proper operation of the Company and each Group company, the Company has established the “Group Corporate Philosophy of Yamato Group” and the “Statement of Compliance”. The Representative Director of the Company is responsible for ensuring that these two directives are fully understood by directors of the Company and each Group company. At the same time, directors shall perform their duties in accordance with these directives.

   ii. To ensure that the above directives are fully understood, the Company establishes “Compliance and Risk Committee” headed by the executive officer who oversees the Group’s compliance framework and shall monitor the undertaking of the Group-wide compliance and risk management. The Head of the committee shall monitor compliance at the Company and each Group company and report the situation to the Board of Directors of the Company.

   iii. The Company shall develop a whistle-blower system for the Group to allow employees to report any compliance violations by directors of the Company and each Group company.

   iv. In the “Corporate Stances” of the “Yamato Group Corporate Philosophy,” the Company shall declare its policy to thoroughly block any kind of relationship with antisocial forces and organizations that pose a threat to the order and safety of civil life, and shall station employees to perform related duties in the CSR Division of the Company and each Group company. The CSR Division makes systematic efforts in collaboration with outside specialized institutions, such as police and attorneys, to prevent antisocial forces from being involved in management and prevent possible damage caused by antisocial forces.

2) Framework for storing and managing information related to execution of duties by directors of the Company

   Directors of the Company shall prescribe the retention period of the documents and the division in charge in the organization regulations and organization management regulations and prepare, store and manage the material documents in relation to the execution of duties by directors and minutes of each meeting.

3) Policy and framework for managing risks of loss of the Company and its subsidiaries

   i. The Company shall assign an executive officer (to serve concurrently as an executive officer in charge of overall compliance management) to oversee Group-wide risk management. Employees shall be stationed to perform related duties in the CSR Division of the Company and each Group company.

   ii. The Company shall develop a “Risk Management Basic Policy” as the basis of risk management. Each Group company shall also develop a “Risk Management Basic Policy” on the basis of this policy.

   iii. The risk management division and the officer in charge shall be stationed at a key business formation representative company, which shall play the primary role in the Group companies, and large-scale companies under the Companies Act. The CSR Division of the Company shall oversee these divisions and monitor and manage risk conditions at each Group company in a timely manner.

   iv. The Company shall establish an internal audit division, which shall audit the implementation status and the effectiveness of risk management at the Company and each Group company.

4) Framework ensuring the efficiency of execution of duties by directors of the Company and its subsidiaries

   i. The Company shall adopt the executive officer system in order to realize the efficiency of the management and the clarification of responsibility through the clear division of management decision-making, supervision and execution.

   ii. The Company shall hold the Board of Directors Meeting more than once a month. In addition, material matters to be deliberated at the Board of Directors Meeting shall be discussed and examined at the Management Council comprising full-time directors, executive officers, and full-time audit & supervisory board members.

   iii. The Company shall define in the organizational regulations the procedure and the officer in charge with respect to the execution of the business based on the resolution of the Board of Directors and at the Management Council of the Company as well as the resolution of each Group company’s Board of Directors.

5) Framework ensuring that execution of duties by directors and employees of the Company and its subsidiaries complies with laws and regulations and the Articles of Incorporation

   i. To realize management in conformity with compliance at the Company and each Group company, the Company and each Group company shall formulate “Corporate Handbook” and “Employee Credo of Conduct” as directives applicable to all employees. The documents shall be distributed and training implemented.

   ii. A key business segment representative company which shall play the primary role in the Group companies, and large companies under the Companies Act, shall establish a division in charge of compliance promotion, and assign an officer in charge of the same. The division in charge of CSR of the Company shall oversee this, and monitor and manage compliance promotion status at each Group company in a timely manner.

   iii. The Company shall establish an internal audit division to audit the implementation status and the effectiveness of compliance at the Company and each Group company.

   iv. The Company shall hold “Compliance and Risk Committee” meetings regularly to develop and promote specific measures to ensure compliance and monitor the progress at the Company and each Group company.

v. The Company shall establish a whistle-blower system for the Group to develop an environment in which compliance violations are promptly reported.

6) Framework ensuring that business activities are conducted in an appropriate manner throughout the corporate group consisting of the Company and its subsidiaries

i. To ensure that business activities at the Company and each Group company are in conformity with compliance, the Company shall establish “Group Corporate Philosophy.” The Company and each Group company shall formulate their company rules and conduct business activities accordingly.

ii. The Company shall assign an executive officer to be in charge of basic strategy for Group-wide management, and station employees to perform related duties at the division in charge of management strategy at the Company and each Group company.

iii. The Company, as a pure holding company, shall be responsible for the planning and control of each Group company’s operation in accordance with the executive management contract that prescribes the management duties that the Company will execute with respect to each Group company.

iv. Each Group company shall execute business in accordance with the management policy formulated by the Company, and shall obtain the approval of the Company’s Board of Directors’ Meeting or the Management Council in advance, when executing material matters. In addition, all material management matters shall be reported to the Company’s related division.

7) Appointment of supporting personnel, when audit & supervisory board members of the Company request such personnel

The internal audit division shall provide support to audit & supervisory board members and personnel shall be appointed when deemed necessary in consultation with the Audit & Supervisory Board.

8) Securing independence of the personnel in the preceding item from directors and effectiveness of instructions from audit & supervisory board members

The personnel in the preceding item cannot hold a concurrent position that has the duties of planning or control of business operations. Accordingly, reassignment, evaluation, or disciplinary action against the supporting personnel requires the approval of the Audit & Supervisory Board in advance.

9) Framework for reporting to audit & supervisory board members by directors and employees of the Company and framework for reporting to audit & supervisory board members of the Company by directors, audit & supervisory board members and employees of subsidiaries, or those who have received reports from the said persons

i. In addition to matters designated by law, directors and employees of the Company and directors, audit & supervisory board members and employees of each Group company shall report the following to audit & supervisory board members of the Company without delay.

a. Material violations of laws and regulations and the Articles of Incorporation as well as misconduct, by directors or employees

b. Crucial information obtained through whistle blowing

c. Other facts that threaten to cause significant losses to the Company and each Group company

ii. The Company and each Group company shall create a framework to ensure that persons who have reported to audit & supervisory board members of the Company

and each Group company are not treated disadvantageously because of the said report.

10) Policy on procedures for advance payment or reimbursement of expenses incurred in the execution of duties by audit & supervisory board members of the Company, and other expenses incurred in the said execution of duties, or handling of debts

The Company shall develop a policy regarding the handling of audit expenses and secure a budget of a certain amount to cover audit expenses.

11) Framework ensuring the effectiveness of auditing by audit & supervisory board members of the Company

i. In addition to the Board of Directors' Meeting, audit & supervisory board members of the Company may attend other important meetings, including those of the Management Council and the Executive Council, and understand the process of important decision-making and execution status of business, and provide necessary advice.

ii. The Company shall establish regular meetings between audit & supervisory board members and the representative director to exchange opinions.

iii. The internal audit division of the Company shall report progress and results of internal audits of the Company and each Group company as necessary to audit & supervisory board members to realize a collaborative framework for effective audits.

iv. Audit & supervisory board members of the Company and each Group company shall exchange information and enhance collaboration throughout the Group at Group Audit & Supervisory Board Members' Liaison Meetings.

v. The Company shall establish a liaison office for the Audit & Supervisory Board and Group Audit & Supervisory Board Members' Liaison Meetings in the internal audit division of the Company to promote efficient audits by audit & supervisory board members of the Company and each Group company.

vi. The Company shall receive explanations on the contents of its accounts from the Accounting Auditor as needed and exchange information to realize a collaborative framework for effective audits.

(2) Operational Status of Systems for Ensuring Proper Operations

Details are provided as follows on the operational status of systems for ensuring proper operations.

1) Execution of duties by directors

The Board of Directors holds 18 meetings which are attended by the directors and audit & supervisory board members. Those in attendance adopt resolutions on individual proposals in accordance with decision-making standards, and also discuss matters and make resolutions with respect to issues of managerial importance encompassing areas such as growth strategy, investment, capital management policy and human resources strategy.

2) Compliance

The "Compliance and Risk Committee" meets once every quarter, with such meetings attended by the Company's executive officers in charge of legal affairs and CSR strategy, full-time audit & supervisory board members, outside attorneys at law, and managers in

charge of compliance of major Group companies, and oversees Group-wide compliance initiatives across the organization.

Moreover, the Company has developed mechanisms for a whistle-blower system for the Group to allow employees to report compliance violations of the Company and respective Group companies.

In addition, in order to raise awareness of compliance issues and call attention to such matters, all business offices of the Company and respective Group companies display "Statement of Compliance" posters which declare their vow to observe laws, regulations and corporate ethics.

The Company has been taking steps to ensure that everyone is well aware that all ties with antisocial forces must be rejected. To that end, such matters have been stipulated in the "Yamato Group Corporate Philosophy" which outlines the Yamato Group's responsibilities to society and its stance toward issues in that regard, and furthermore pamphlets detailing such content are distributed to all employees of the Company and respective Group companies.

3) Risk management

Managers in charge of compliance and risk oversight are stationed at the Company and respective Group companies, and have been developing systems to address risk in a swift and harmonious manner.

When an emergency arises, the Company's executive officers in charge of legal affairs and CSR strategy, and its full-time audit & supervisory board members, are notified of the situation without delay, through a Group-wide system for ensuring availability of up-to-the-minute details on emergency matters.

In addition, the Company's "Compliance and Risk Committee" considers key risks by sharing examples of such risks and discussing related measures.

4) Audit structure

Company employees in charge of audits and departments of major Group companies in charge of internal audits respectively check to make sure that operations are being performed effectively in accordance with the rules, and they accordingly develop frameworks to immediately rectify matters when aberrations are found to exist.

Moreover, audit & supervisory board members of the Company and full-time audit & supervisory board members of respective Group companies hold monthly Group Audit & Supervisory Board Members' Liaison Meetings. In so doing, they collaborate by sharing information, and effectively monitor operations in a manner that is coordinated with Group management.

(3) Policy on Decision of Appropriation of Surplus

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

Consolidated Balance Sheet

(As of March 31, 2016)

(Millions of yen)

Assets		Liabilities	
Current assets	**583,982**	**Current liabilities**	**348,097**
Cash and deposits	249,593	Notes and accounts payable - trade	148,456
Notes and accounts receivable - trade	197,382	Short-term loans payable	55,933
Accounts receivable - installment	43,647	Lease obligations	2,509
Lease investment assets	48,894	Income taxes payable	19,782
Inventories	2,857	Deferred installment income	5,894
Deferred tax assets	14,907	Provision for bonuses	30,676
Other	27,777	Other	84,844
Allowance for doubtful accounts	(1,079)		
Non-current assets	**505,454**	**Non-current liabilities**	**197,483**
Property, plant and equipment	405,641	Bonds payable	20,000
Buildings and structures	137,572	Long-term loans payable	90,515
Machinery and equipment	17,085	Lease obligations	5,387
Vehicles	17,925	Deferred tax liabilities	2,799
Land	176,139	Net defined benefit liability	71,551
Leased assets	8,572	Other	7,229
Construction in progress	23,538	**Total liabilities**	**545,581**
Other	24,807		
Intangible assets	20,960	**Net assets**	
Software	14,525	**Shareholders' equity**	**537,348**
Other	6,434	Capital stock	127,234
Investments and other assets	78,851	Capital surplus	36,813
Investment securities	31,498	Retained earnings	402,375
Long-term loans receivable	1,009	Treasury shares	(29,075)
Lease deposits	16,452	**Accumulated other comprehensive income**	**473**
Net defined benefit asset	54	Valuation difference on available-for-sale securities	9,790
Deferred tax assets	27,007	Foreign currency translation adjustment	750
Other	3,737	Remeasurements of defined benefit plans	(10,067)
Allowance for doubtful accounts	(908)	**Non-controlling interests**	**6,034**
		Total net assets	**543,855**
Total assets	**1,089,436**	**Total liabilities and net assets**	**1,089,436**

Consolidated Statement of Income

(From April 1, 2015 to March 31, 2016)

(Millions of yen)

Operating revenue	**1,416,413**
Operating cost	1,306,200
Operating gross profit	**110,212**
Selling, general and administrative expenses	41,672
Operating income	**68,540**
Non-operating income	
Interest and dividend income	833
Other	1,623
	2,456
Non-operating expenses	
Interest expenses	547
Other	1,022
	1,570
Ordinary income	**69,426**
Extraordinary income	
Gain on sales of non-current assets	354
Gain on sales of investment securities	53
Other	10
	418
Extraordinary losses	
Loss on retirement of non-current assets	286
Impairment loss	1,154
Other	324
	1,766
Profit before income taxes	**68,078**
Income taxes-current	27,434
Income taxes-deferred	980
	28,414
Profit	**39,663**
Profit attributable to non-controlling interests	238
Profit attributable to owners of parent	**39,424**

Consolidated Statement of Comprehensive Income

(From April 1, 2015 to March 31, 2016)

(Millions of yen)

Profit	39,663
Other comprehensive income	
Valuation difference on available-for-sale securities	(3,975)
Foreign currency translation adjustment	(418)
Remeasurements of defined benefit plans, net of tax	(10,787)
Total other comprehensive income	(15,181)
Comprehensive income	24,482
(Breakdown)	
Comprehensive income attributable to owners of parent	24,165
Comprehensive income attributable to non-controlling interests	316

Consolidated Statement of Changes in Equity

(From April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2015	127,234	70,209	395,352	(43,007)	549,789
Changes of items during period					
Dividends of surplus			(10,674)		(10,674)
Increase in retained earnings resulting from change of scope of consolidation			87		87
Profit attributable to owners of parent			39,424		39,424
Purchase of treasury shares				(50,006)	(50,006)
Disposal of treasury shares		(1,636)		11,207	9,570
Retirement of treasury shares		(30,915)	(21,815)	52,731	–
Change in ownership interest of parent related to transactions with non-controlling interests		(843)			(843)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(33,396)	7,022	13,932	(12,441)
Balance as of March 31, 2016	127,234	36,813	402,375	(29,075)	537,348

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2015	13,847	1,169	715	15,731	5,678	571,199
Changes of items during period						
Dividends of surplus						(10,674)
Increase in retained earnings resulting from change of scope of consolidation						87
Profit attributable to owners of parent						39,424
Purchase of treasury shares						(50,006)
Disposal of treasury shares						9,570
Retirement of treasury shares						–
Change in ownership interest of parent related to transactions with non-controlling interests						(843)
Net changes of items other than shareholders' equity	(4,057)	(418)	(10,783)	(15,258)	355	(14,903)
Total changes of items during period	(4,057)	(418)	(10,783)	(15,258)	355	(27,344)
Balance as of March 31, 2016	9,790	750	(10,067)	473	6,034	543,855

Notes to Consolidated Financial Statements

1. Basis of Preparation of the Financial Statements

(1) Amounts described are rounded down to the nearest million yen.

(2) Scope of Consolidation

1) Consolidated Subsidiaries

Yamato Transport Co., Ltd.	Okinawa Yamato Transport Co., Ltd.	Yamato Global Express Co., Ltd.
Yamato Logistics Co., Ltd.	Yamato Global Logistics Japan Co., Ltd.	Yamato Multi-Maintenance Solutions Co., Ltd.
Yamato Packing Service Co., Ltd.	YAMATO TRANSPORT U. S. A., INC.	Yamato Home Convenience Co., Ltd.
Yamato System Development Co., Ltd.	Yamato Financial Co., Ltd.	Yamato Lease Co., Ltd.
Yamato Autoworks Co., Ltd.	YAMATO ASIA PTE. LTD.	

40 companies including those listed above are included within the scope of consolidation. Yamato Dialog & Media Co., Ltd. is included in the scope of consolidation from the fiscal year under review due to their increased materiality.

2) Non-consolidated Subsidiaries

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

(3) Equity Method

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

(4) Closing Date of Consolidated Subsidiaries

Of consolidated subsidiaries, YAMATO TRANSPORT U.S.A., INC., and other ten overseas subsidiaries have December 31 as their financial year end. Financial statements as of this closing date were used in the preparation of the consolidated financial statements. However, the consolidated figures have been adjusted as required to reflect significant transactions occurring between December 31, 2015 and March 31, 2016 that is the consolidated closing date.

(5) Accounting Policies

1) Valuation Basis and Methods for Securities

Securities held to maturity: Amortized cost method (Straight-line method)

Available-for-sale securities

Securities with fair market value:	Stated at the fair market value based on the quoted market price as of the fiscal year end (valuation differences are recognized in net assets; the cost of securities sold is the moving-average method)
Securities without fair market value:	Stated at the cost by moving-average method

2) Valuation Basis and Methods for Inventories

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

3) Depreciation and Amortization Methods of Non-current Assets

Property, plant and equipment: (excluding leased assets)	Declining-balance method Straight-line method is adopted for the buildings acquired on or after April 1, 1998 (excluding fixtures). For overseas consolidated subsidiaries' assets, straight-line methods based on estimated useful lives is adopted.
Intangible assets: (excluding leased assets)	Straight-line method, but software is amortized by the straight-line method over the estimated useful life (five years).
Leased assets:	Straight-line method where the useful life of leased assets shall be equal to the lease period and their residual value shall be zero.

4) Accounting Method for Provision

Allowance for doubtful accounts:

The allowance for doubtful accounts is provided to prepare for loss from uncollectible credits. For ordinary receivables, the amount is estimated using the rate based on the historical bad debt experience. For special receivables with higher uncertainty, collectivity is considered on individual cases, and prospective uncollectible amount is provided.

Provision for bonuses:

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

This provision is not applicable for overseas subsidiaries.

5) Method of Accounting for Retirement Benefits

i. Method of attributing expected retirement benefit to periods
In calculating the retirement benefit obligations, the straight-line basis is used in determining the amount of the expected retirement benefit obligation attributed to service performed up to the end of the fiscal year under review.

ii. Method of recognizing actuarial differences
Actuarial differences are recognized in profit or loss in the year following the year in which a respective gain or loss arises, and are amortized proportionally on a straight-line basis over a period of five years, which is within the average remaining years of service of the eligible employees.

iii. Method of accounting for unrecognized actuarial difference
Unrecognized actuarial difference is accounted for in remeasurements of defined benefit plans, after adjusting for tax effects, under accumulated other comprehensive income of net assets.

6) Basis of Revenue Recognition

Deferred installment income

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

7) Method of Significant Hedge Accounting

i. Method of hedge accounting
Interest rate swaps are accounted for using the exceptional treatment as they satisfy the applicable conditions.

ii. Hedging instrument and hedged item
Hedging instrument: Interest rate swaps
Hedged item: Interest on loans

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

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

8) Accounting for Consumption Taxes

The consumption taxes are excluded from transaction amounts.

2. Changes in presentation

Changes due to application of Accounting Standard for Consolidated Financial Statements

The Company has applied provisions of Paragraph 39 of the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), etc., and has accordingly made changes in the presentation of net income, etc. and has also made changes in presentation from minority interests to non-controlling interests.

3. Additional Information

Effect of change in corporation tax rates, etc.

On March 29, 2016, the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 15 of 2016), and the “Act for Partial Revision of the Local Tax Act, etc.” (Act No. 13 of 2016) were enacted in the Diet. As a result, the normal effective statutory tax rate of 32.3% previously applied in calculating the amount of deferred tax assets and liabilities has been reduced to 30.9% with respect to the temporary differences expected to be resolved in the fiscal year beginning April 1, 2016 and in the fiscal year beginning April 1, 2017. Also, the normal effective statutory tax rate will be further reduced to 30.6% with respect to the temporary differences expected to be resolved in the fiscal year beginning April 1, 2018, and subsequent fiscal years. This has resulted in a decrease in deferred tax assets of 1,894 million yen (after subtraction of deferred tax liabilities; of which, the effect of the tax rate change amounts to 1,893 million yen) and an increase in income taxes - deferred of 1,833 million yen (of which, the effect of the tax rate change amounts to 1,832 million yen).

4. Notes to the Consolidated Balance Sheet

Accumulated Depreciation of Property, Plant and Equipment: 480,331 million yen

5. Notes to the Consolidated Statement of Income

Impairment loss

During the fiscal year under review, the Yamato Group posted an impairment loss on the following asset group.

(Millions of yen)

Use of asset	Type of asset	Region	Amount of impairment loss
Branch and distribution center and other	Buildings, land and other	Yamato Transport Co., Ltd., Tokushima Main Branch and eight other premises	1,154

The Yamato Group grouped the assets based on the classification in managerial accounting and the unit in making investment decisions, with Yamato Transport Co., Ltd. treating primarily a main branch and subordinate branches as one unit and the Company and other consolidated subsidiaries based on the unit of department.

As a result, the Group recognized a continuous decrease in profit and loss arising from operating activities or significant declines in market prices for the asset group consisting of Yamato Transport Co., Ltd., Tokushima Main Branch and eight other premises, and it decreased the book value of the relevant asset group to the recoverable value and posted the relevant decrease of 1,154 million yen to extraordinary losses as an impairment loss. A breakdown of this decrease shows that 578 million yen was attributable to buildings and 360 million yen was attributable to land.

Where the recoverable value is calculated based on net realizable value, the amount is valued based mainly on real estate appraisal standards, assessed value of property tax or the posted land price.

6. Notes to the Consolidated Statement of Changes in Equity

(1) Class and Total Number of Issued Shares and Treasury Shares: (Thousands of shares)

	Number of shares as of beginning of fiscal year under review	Number of increased shares in fiscal year under review	Number of decreased shares in fiscal year under review	Number of shares as of end of fiscal year under review
Issued shares				
Common shares*[1]	435,564	–	24,224	411,339
Total	435,564	–	24,224	411,339
Treasury shares				
Common shares*[2]	22,370	19,850	29,397	12,823
Total	22,370	19,850	29,397	12,823

Notes:

1. The decrease of 24,224 thousand shares of issued shares of common shares resulted from a decrease due to retirement of treasury shares.
2. The increase of 19,850 thousand shares of treasury shares of common shares resulted from an increase of 19,847 thousand shares due to the purchase of treasury shares and other increases.
   The decrease of 29,397 thousand shares of treasury shares of common shares resulted from a decrease of 24,224 thousand shares through retirement of treasury shares, a decrease of 5,172 thousand shares through the exercise of subscription rights to shares attached to bonds with subscription rights to shares and other decreases.

(2) Dividends

1) Payments of dividends

Resolution	Type of shares	Total amount of dividends	Dividend per share	Record date	Effective date on and after
		Millions of yen	Yen		
The Board of Directors Meeting on May 14, 2015	Common shares	5,371	13	March 31, 2015	June 2, 2015
The Board of Directors Meeting on October 29, 2015	Common shares	5,302	13	September 30, 2015	December 10, 2015

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

Resolution	Type of shares	Total amount of dividends	Source of dividend	Dividend per share	Record date	Effective date on and after
		Millions of yen		Yen		
The Board of Directors Meeting on May 19, 2016	Common shares	5,977	Retained earnings	15	March 31, 2016	June 3, 2016

Note: The dividend per share of 15 yen includes commemorative dividends of 2 yen.

7. Notes to the Financial Instruments

(1) Matters concerning the status of financial instruments

1) Policy on financial instruments

To finance further business growth, the Yamato Group raises capital through bank loans and bond issuances based on a facilities investment scheme that includes the network development plan. One-time surplus funds are invested in safe financial assets. Derivative products are mainly used for hedging against variable interest rate risk, and no speculative transactions are undertaken.

Some of the Group's consolidated subsidiaries are engaged in businesses such as leasing and third-party credit sales.

2) Features and risks of financial instruments and risk management structure

Operating receivables such as notes and accounts receivable - trade and accounts receivable - installment carry credit risk of trading partners, and thus the Company manages and controls cash received, as well as outstanding receivables, for each period to identify the credit risk of each trading partner.

Regarding investment securities, the Yamato Group mainly holds shares of companies with which the Group has business relationships or forms a capital alliance, and such shares involve the risk of stock price fluctuations.

The majority of operating payables, such as notes and accounts payable - trade, are due within one year.

Short-term loans payable and long-term loans payable are mainly used to raise capital for the Group's financial business. Some of the loans payable are procured at variable rates of interest, and the Group employs interest rate swaps for a portion of those loans to hedge interest rate risk associated with fundraising. Interest rate swap transactions are executed in conformity with the Group's regulations for authorizing derivative transactions.

Within the Yamato Group, each Group company controls liquidity risk associated with operating payables and loans by monitoring payments and settlements, bookkeeping, and balances, as well as managing cash positions.

3) Supplemental remarks on the fair value of the financial instruments

The fair value of financial instruments refers to their market value or value reasonably calculated based on certain assumptions if market value is not available. Therefore, the estimated fair value may vary with different assumptions.

(2) Matters concerning fair value of financial instruments

The table below shows the amounts recorded on the consolidated balance sheet as of March 31, 2016, their fair values, and differences between them. Some financial instruments are excluded because it is extremely difficult to identify their fair value (see Note 5).

(Millions of yen)

	Amount on the consolidated balance sheet	Fair value	Difference
(1) Cash and deposits	249,593	249,593	–
(2) Notes and accounts receivable - trade	197,382		
Allowance for doubtful accounts	(124)		
	197,257	198,154	897
(3) Accounts receivable - installment	43,647		
Allowance for doubtful accounts	(645)		
Deferred installment income	[5,894]		
	37,107	42,933	5,826
(4) Investment securities			
Available-for-sale securities	29,215	29,215	–
(5) Notes and accounts payable - trade	[148,456]	[148,456]	–
(6) Short-term loans payable	[55,933]	[56,017]	84
(7) Long-term loans payable	[90,515]	[90,859]	343
(8) Derivatives	–	–	–

Notes:

1. Items recognized as liabilities are shown in square parentheses [ ] both under Amount on the consolidated balance sheet and Fair value.
2. Notes and accounts receivable - trade are presented after deducting allowance for doubtful accounts set up for notes and accounts receivable - trade not payable in the short term.
3. Accounts receivable - installment is presented after deducting the relevant allowance for doubtful accounts and deferred installment income.
4. Method of calculating fair value of financial instruments and other matters concerning securities and derivatives.

(1) Cash and deposits

Because all deposits are short-term deposits and their fair values are approximately equal to their book values, fair value is the same as book value.

(2) Notes and accounts receivable - trade

Because notes and accounts receivable - trade are usually settled in a short period and their fair values are approximately equal to their book values, fair value is the same as book value. A portion of notes and accounts receivable - trade are grouped by classification categories and computed on the basis of the present value of future cash flow discounted at a rate based on the yield of Japanese Government Bonds.

(3) Accounts receivable - installment

The fair values of accounts receivable - installment are grouped by classification categories and computed on the basis of the present value of future cash flow discounted at the rate based on market interest rate.

(4) Investment securities

The fair values of listed equity shares in investment securities are based on quoted market prices.

(5) Notes and accounts payable - trade

As most notes and accounts payable - trade are due within one year and their fair values are approximately equal to their book values, fair value is the same as book value.

(6) Short-term loans payable and (7) Long-term loans payable

The fair value of short-term loans payable, long-term loans payable, and long-term loans payable meeting the requirements of exceptional treatment for interest rate swaps and being treated together with interest swaps are computed on the basis of the total amount of principal and interest discounted at the interest rate applicable to new loans carrying the same conditions.

(8) Derivatives

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

5. It is extremely difficult to determine the fair values of unlisted securities (the amount recorded on consolidated balance sheet is 2,282 million yen) because they do not have quoted market prices and their future cash flow cannot be estimated. Therefore, they are excluded from (4) Investment securities/Available-for-sale securities.

8. Per Share Information

(1) Net assets per share	1,349.56 yen
(2) Net income per share	96.45 yen

Non-consolidated Balance Sheet

(As of March 31, 2016)

(Millions of yen)

Assets		Liabilities	
Current assets	**157,582**	**Current liabilities**	**138,384**
		Operating accounts payable	566
Cash and deposits	138,345	Short-term loans payable	16,653
Operating accounts receivable	46	Income taxes payable	45
Short-term loans receivable	12,998	Accrued expenses	63
Deferred tax assets	117	Deposits received	120,796
Income taxes receivable	5,192	Provision for bonuses	57
Other	882	Other	201
Non-current assets	**364,765**	**Non-current liabilities**	**41,706**
		Bonds payable	20,000
Property, plant and equipment	6,574	Long-term loans payable	14,476
Vehicles	21	Deferred tax liabilities	2,082
Buildings	683	Provision for retirement benefits	73
Tools, furniture and fixtures	12	Provision for loss on business of subsidiaries and associates	4,935
Land	5,840	Other	138
Other	16	**Total liabilities**	**180,090**
		Net assets	
Intangible assets	988	**Shareholders' equity**	**334,612**
Software	986	Capital stock	127,234
Other	2	Capital surplus	36,822
		Legal capital surplus	36,822
Investments and other assets	357,202	Retained earnings	199,630
Investment securities	22,563	Other retained earnings	199,630
Shares of subsidiaries and associates	315,603	General reserve	188,965
Long-term loans receivable	20,883	Retained earnings brought forward	10,665
Other	1,367	Treasury shares	(29,075)
Allowance for investment loss	(3,216)		
		Valuation and translation adjustments	**7,644**
		Valuation difference on available-for-sale securities	7,644
		Total net assets	**342,257**
Total assets	**522,348**	**Total liabilities and net assets**	**522,348**

Non-consolidated Statement of Income

(From April 1, 2015 to March 31, 2016)

(Millions of yen)

Operating revenue	**32,236**
Selling, general and administrative expenses	7,060
Operating income	**25,176**
Non-operating income	
Interest and dividend income	952
Other	48
	1,001
Non-operating expenses	
Interest expenses	98
Other	606
	704
Ordinary income	**25,473**
Extraordinary income	
Gain on sales of investment securities	23
	23
Extraordinary losses	
Provision of allowance for investment loss	2,641
Provision for loss on business of subsidiaries and associates	3,131
Other	0
	5,772
Profit before income taxes	**19,724**
Income taxes - current	92
Income taxes - deferred	201
	293
Profit	**19,430**

Non-consolidated Statement of Changes in Equity

(From April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
					Other retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	General reserve	Retained earnings brought forward
Balance as of April 1, 2015	127,234	36,822	32,552	69,375	188,965	23,724
Changes of items during period						
Dividends of surplus						(10,674)
Profit						19,430
Purchase of treasury shares						
Disposal of treasury shares			(1,636)	(1,636)		
Retirement of treasury shares			(30,915)	(30,915)		(21,815)
Net changes of items other than shareholders' equity						
Total changes of items during period	–	–	(32,552)	(32,552)	–	(13,059)
Balance as of March 31, 2016	127,234	36,822	–	36,822	188,965	10,665

(Millions of yen)

	Shareholders' equity			Valuation and translation adjustments	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
	Total retained earnings				
Balance as of April 1, 2015	212,690	(43,007)	366,292	11,830	378,122
Changes of items during period					
Dividends of surplus	(10,674)		(10,674)		(10,674)
Profit	19,430		19,430		19,430
Purchase of treasury shares		(50,006)	(50,006)		(50,006)
Disposal of treasury shares		11,207	9,570		9,570
Retirement of treasury shares	(21,815)	52,731	–		–
Net changes of items other than shareholders' equity				(4,185)	(4,185)
Total changes of items during period	(13,059)	13,932	(31,679)	(4,185)	(35,865)
Balance as of March 31, 2016	199,630	(29,075)	334,612	7,644	342,257

Notes to Non-consolidated Financial Statements

1. Amounts described are rounded down to the nearest million yen.

2. Summary of Significant Accounting Policies

(1) Valuation Basis and Methods for Securities

Securities held to maturity:	Amortized cost method (Straight-line method)
Available-for-sale securities	
Securities with fair market value:	Stated at the fair market value based on the quoted market price as of the fiscal year end (valuation differences are recognized in net assets; the cost of securities sold is the moving-average method)
Securities without fair market value:	Stated at the cost by moving-average method
Shares of subsidiaries and associates:	Stated at the cost by moving-average method

(2) Depreciation and Amortization Methods of Non-current Assets

Property, plant and equipment	
Buildings:	Straight-line method
Other than Buildings:	Declining-balance method
Intangible assets:	Straight-line method, but software is amortized by the straight-line method over the estimated useful life (five years).

(3) Accounting Method for Provision

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

Allowance for investment loss:
To prepare for devaluation loss of investments in subsidiaries and associates, allowances are provided considering the status of subsidiaries and associates' assets.

Provision for loss on business of subsidiaries and associates
To prepare for loss on business of subsidiaries and associates, the amount expected to be borne by the Company with respect to the said loss is provided.

Provision for retirement benefits:
To provide for employees' retirement benefits, provision for retirement benefits is recorded based on the projected retirement benefit obligations and related pension assets as of the end of the fiscal year ended March 31, 2016.

i. Method of attributing expected retirement benefit to periods
In calculating the retirement benefit obligations, the straight-line basis is used in determining the amount of the expected retirement benefit obligation attributed to service performed up to the end of the fiscal year under review.
ii. Method of recognizing actuarial differences

Actuarial differences are recognized in profit or loss in the year following the year in which a respective gain or loss arises, and are amortized proportionally on a straight-line basis over a period of five years, which is within the average remaining years of service of the eligible employees.

(4) Method of Accounting for Retirement Benefits

The method of accounting for unrecognized actuarial differences on retirement benefits is different to the method in the consolidated financial statements.

(5) Method of significant hedge accounting

1) Method of hedge accounting

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

2) Hedging instrument and hedged item

Hedging instrument: ····· Interest rate swaps
Hedged item: ····· Interest on loans

3) Hedging policy

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

4) Method of evaluating hedge effectiveness

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

(6) Accounting for Consumption Taxes

The consumption taxes are excluded from transaction amounts.

3. Additional Information

Effect of change in income tax rates, etc.

On March 29, 2016, the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 15 of 2016), and the “Act for Partial Revision of the Local Tax Act, etc.” (Act No. 13 of 2016) were enacted in the Diet. As a result, the normal effective statutory tax rate of 32.3% previously applied in calculating the amount of deferred tax assets and liabilities has been reduced to 30.9% with respect to the temporary differences expected to be resolved in the fiscal year beginning April 1, 2016 and in the fiscal year beginning April 1, 2017. Also, the normal effective statutory tax rate will be further reduced to 30.6% with respect to the temporary differences expected to be resolved in the fiscal year beginning April 1, 2018, and subsequent fiscal years. This has resulted in a decrease in deferred tax assets of 111 million yen (after subtraction of deferred tax liabilities; of which, the effect of the tax rate change amounts to 109 million yen) and an increase in income taxes - deferred of 13 million yen (of which, the effect of the tax rate change amounts to 15 million yen).

4. Notes to the Non-consolidated Balance Sheet

(1)	Accumulated depreciation of property, plant and equipment:	481 million yen
(2)	Balance of liabilities on guarantee	6,776 million yen
	i. Joint and several guarantee for debt financing:	6,214 million yen
	ii. Joint and several guarantee based on clearing agreements with other transportation companies:	300 million yen
	iii. Pledge of letter of management support concerning debt financing:	261 million yen
(3)	Short-term loans receivable from subsidiaries and associates:	13,353 million yen
	Long-term loans receivable from subsidiaries and associates:	19,919 million yen
	Short-term loans payable to subsidiaries and associates:	120,968 million yen

5. Notes to the Non-consolidated Statement of Income

Transaction with subsidiaries and associates:	Operating revenue	32,218 million yen
	Operating expenses	1,071 million yen
	Non-operating transactions	393 million yen

6. Notes to the Non-consolidated Statement of Changes in Equity

Class and Total Number of Treasury Shares:

(Thousands of shares)

	Number of shares as of beginning of fiscal year under review	Number of increased shares in fiscal year under review	Number of decreased shares in fiscal year under review	Number of shares as of end of fiscal year under review
Common shares*	22,370	19,850	29,397	12,823

Note:
The increase of 19,850 thousand shares of treasury shares of common shares resulted from an increase of 19,847 thousand shares due to the purchase of treasury shares and other increases.
The decrease of 29,397 thousand shares of treasury shares of common shares resulted from a decrease of 24,224 thousand shares through retirement of treasury shares, a decrease of 5,172 thousand shares through the exercise of subscription rights to shares attached to bonds with subscription rights to shares and other decreases.

7. Notes to Tax Effect Accounting

Detailed deferred tax assets and deferred tax liabilities

(Millions of yen)

Deferred tax assets (current assets)		
Provision for bonuses		17
Accrued enterprise tax		10
Loss carried forward		77
Other		11
Deferred tax assets (current assets)	**Total**	**117**
Deferred tax assets (non-current assets)		
Provision for retirement benefits		22
Loss on valuation of investment securities		1,401
Shares of subsidiaries and associates		34,697
Loss carried forward		1,814
Other		2,575
Deferred tax assets (non-current assets)	**Subtotal**	**40,511**
Allowance for devaluation		(40,285)
Deferred tax assets (non-current assets)	**Total**	**225**
Deferred tax liabilities (non-current liabilities)		
Valuation difference on available-for-sale securities		(2,277)
Other		(31)
Deferred tax liabilities (non-current liabilities)	**Total**	**(2,308)**
Net deferred tax assets (liabilities)		**(1,965)**

8. Notes to Dealings with Related Parties

Subsidiaries, etc. (Millions of yen)

Status	Company	Location	Capital	Main business	Holding of voting rights	Relationship	
						Concurrent positions held by officers	Business relationships
Subsidiaries	Yamato Transport Co., Ltd.	Chuo-ku, Tokyo	50,000	TA-Q-BIN; Kuroneko DM-Bin	Direct holdings 100.00%	Concurrent 3 persons	Executive management Loans for funding
Subsidiaries	Yamato (China) Transport Co., Ltd.	Shanghai	RMB 200,000,000	TA-Q-BIN business in China	Direct holdings 100.00%	None	Executive management Loan guarantees
Subsidiaries	Yamato System Development Co., Ltd.	Koto-ku Tokyo	1,800	System development	Direct holdings 100.00%	Concurrent 1 person	Executive management Operational management of system
Subsidiaries	Yamato Financial Co., Ltd.	Chuo-ku, Tokyo	1,000	Collection service for payment of merchandise	Direct holdings 100.00%	Concurrent 1 person	Executive management
Subsidiaries	YAMATO ASIA PTE. LTD.	Singapore	S$ 352,921,364	Management of regional operations	Direct holdings 100.00%	Concurrent 1 person	Business development and market research in Southeast Asia

(Millions of yen)

Status	Company	Dealings	Dealing amount	Account item	Balance at end of period
Subsidiaries	Yamato Transport Co., Ltd.	Receipt of executive management fee	4,050	—	–
		Repayment of loans for capital funding	(13,306)	Short-term loans receivable Long-term loans receivable	12,024 19,887
		Receipt of interest	177		
		Funding	(3,757)	Deposits received	54,467
		Payment of interest	19		
Subsidiaries	Yamato (China) Transport Co., Ltd.	Underwriting of loan guarantee	6,214	—	–
		Receipt of guarantee commission	10	Other current assets	5
Subsidiaries	Yamato System Development Co., Ltd.	Funding	591	Deposits received	6,261
		Payment of interest	1		
Subsidiaries	Yamato Financial Co., Ltd.	Funding	5,819	Deposits received	39,871
		Payment of interest	10		
Subsidiaries	YAMATO ASIA PTE. LTD.	Acquisition of new shares	21,522	—	–

Note: Trade terms and decision policy of the dealing

1) The executive management fee is determined reasonably through mutual consultation, considering the business contents, etc.
2) Interest on deposits received and loans receivable is determined based on market interest rates.
3) The amount of “Funding” records the net gain or loss during the period.
4) Underwriting of loan guarantee is guarantee for borrowing by a subsidiary from a financial institution. Guarantee commission is determined reasonably through consultation.

9. Per Share Information

(1) Net assets per share	858.83 yen
(2) Net income per share	47.54 yen

(TRANSLATION)

Audit Report of Accounting Auditor on Consolidated Financial Statements

Independent Auditors' Report

May 2, 2016

Deloitte Touche Tohmatsu LLC

Yoshihiro Tsuda
Designated Limited Liability and
Engagement Partner
Certified Public Accountant
(seal)

Kazuhide Kobori
Designated Limited Liability and
Engagement Partner
Certified Public Accountant
(seal)

Yoshihiro Ishida
Designated Limited Liability and
Engagement Partner
Certified Public Accountant
(seal)

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

We have audited the consolidated financial statements, namely, the Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Equity, and Notes to the Consolidated Financial Statements of Yamato Holdings Co., Ltd. for the consolidated fiscal year from April 1, 2015 to March 31, 2016, in accordance with the Companies Act, Article 444, Paragraph 4.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements 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 internal

control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Yamato Holdings Co., Ltd. and its consolidated subsidiaries for the related consolidated fiscal year, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Interest
Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of Certified Public Accountant Act.

End

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)

Audit Report of Accounting Auditor on Non-consolidated Financial Statements

Independent Auditors' Report

May 2, 2016

Deloitte Touche Tohmatsu LLC

Yoshihiro Tsuda
Designated Limited Liability and
Engagement Partner
Certified Public Accountant
(seal)

Kazuhide Kobori
Designated Limited Liability and
Engagement Partner
Certified Public Accountant
(seal)

Yoshihiro Ishida
Designated Limited Liability and
Engagement Partner
Certified Public Accountant
(seal)

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

We have audited the non-consolidated financial statements, namely, the Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Equity, and Notes to Non-consolidated Financial Statements of Yamato Holdings Co., Ltd., for the 151st business year from April 1, 2015 to March 31, 2016, in accordance with the Companies Act, Article 436, Paragraph 2, Item (1).

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of non-consolidated financial statements and accompanying detailed statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements and accompanying detailed statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on the non-consolidated financial statements and accompanying detailed statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and accompanying detailed statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and accompanying detailed statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and accompanying detailed

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the non-consolidated financial statements and accompanying detailed statements 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 internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and accompanying detailed statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion
In our opinion, the non-consolidated financial statements and accompanying detailed statements referred to above present fairly, in all material respects, the financial position of Yamato Holdings Co., Ltd. for the business year under review, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Interest
Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of Certified Public Accountant Act.

End

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)

Audit Report of the Audit & Supervisory Board

AUDIT REPORT

Regarding the performance of duties by the Directors for the 151st business year from April 1, 2015 to March 31, 2016, the Audit & Supervisory Board hereby submits its audit report, which has been prepared through discussions based on the audit report prepared by each Audit & Supervisory Board Member.

1. Auditing Methods Employed by the Audit & Supervisory Board Members and Audit & Supervisory Board and Details of Such Methods

(1) The Audit & Supervisory Board established auditing policies, allocation of duties, and other relevant matters, and received reports from Audit & Supervisory Board Members regarding their audits and results thereof, as well as received reports from the Directors, other relevant personnel, and Accounting Auditors regarding performance of their duties, and sought explanations as necessary.

(2) Each Audit & Supervisory Board Member complied with the auditing standards of Audit & Supervisory Board Members established by the Audit & Supervisory Board, followed the auditing policies, allocation of duties, and other relevant matters, communicated with the Directors, the internal audit division, other employees, and any other relevant personnel, and made efforts to optimize the environment for information collection and audit. We have executed the audit based on the following methods.
    1) Each Audit & Supervisory Board Member participated in the Board of Directors' Meetings and other important meetings, received reports from the Directors, employees, and other relevant personnel regarding performance of their duties, sought explanations as necessary, examined important authorized documents and associated information, and studied the operations and financial positions. With respect to subsidiaries, we communicated and exchanged information with Directors, Audit & Supervisory Board Members, and other relevant personnel of the subsidiaries, and received business reports from subsidiaries as necessary.
    2) We received periodic reports from Directors and employees and sought explanations as necessary on the details of the resolution of the Board of Directors related to the provision of a system described in paragraphs 1 and 3 of Article 100 of the Companies Act Enforcement Regulations that not only ensures Directors are carrying out their duties indicated in the business report in compliance with laws and regulations and the Articles of Incorporation, but also ensures the propriety of the work activities of the corporate group consisting of the Company and its subsidiaries. We also received periodic reports from Directors and employees, sought explanations and expressed an opinion as necessary on the status of development and operation of the system (internal control system) put in place in accordance with the aforesaid resolution.
    3) Furthermore, we monitored and verified whether the Accounting Auditors maintained their independence and implemented appropriate audits, and we received reports from the Accounting Auditors regarding the performance of their duties and sought explanations as necessary. In addition, we received notice from the Accounting Auditors that "the system for ensuring that duties are performed properly" (matters set forth in each Item of Article 131 of the Accounting Rules) is organized in accordance with the "product quality management standards regarding audits" (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the business report and supporting schedules, non-consolidated financial statements (Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Equity, and Notes to the Non-consolidated Financial

Statement) and supporting schedules, as well as consolidated financial statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Equity, and Notes to the Consolidated Financial Statements) related to the relevant business year.

2. Audit Results

(1) Results of Audit of Business Report and Other Reference Documents
1) In our opinion, the business report and supporting schedules are in accordance with the related laws and regulations and Articles of Incorporation, and fairly represent the Company's condition.
2) With regard to the performance of duties by the Directors, we have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation.
3) In our opinion, the contents of the resolutions of the Board of Directors regarding the internal control system are fair and reasonable. In addition, we have found no matters on which to remark in regard to the performance of duties of the Directors regarding the internal control system.

(2) Results of Audit of Non-consolidated Financial Statements and Supporting Schedules
In our opinion, the methods and results employed and rendered by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

(3) Results of Audit of Consolidated Financial Statements
In our opinion, the methods and results employed and rendered by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

May 12, 2016

Audit & Supervisory Board, Yamato Holdings Co., Ltd.

Full-time Audit & Supervisory Board Member	Kazuko Takahara	(seal)
Full-time Audit & Supervisory Board Member	Etsuo Ogawa	(seal)
Outside Audit & Supervisory Board Member	Motoharu Yokose	(seal)
Outside Audit & Supervisory Board Member	Hiroyuki Kanae	(seal)

Reference Documents
for the General Meeting of Shareholders

Agenda Items and Related Information

Agenda Item 1. Election of Five (5) Directors

The terms of all the six (6) Directors will expire at the close of this General Meeting of Shareholders. Accordingly, we would like to propose the election of five (5) Directors.
The following are the candidates for Directors.
Please note that Messrs. Toshitaka Hagiwara and Masakatsu Mori are candidates for Outside Directors.

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company (Important Concurrent Positions at Other Organizations)	Number of Shares Owned
1	Reelection Makoto Kigawa (Dec. 31, 1949)	Apr. 1973 Joined the Fuji Bank, Limited Apr. 2004 Managing Director, Chief Risk Officer / Head of Risk Management Group, and Chief Human Resources Officer / Head of Human Resources Group of Mizuho Corporate Bank, Ltd. Apr. 2005 Joined the Company Jun. 2005 Managing Director Nov. 2005 Representative Managing Director Apr. 2006 Representative Director and Managing Executive Officer Jun. 2006 Representative Director and Senior Managing Executive Officer Mar. 2007 Representative Director and Executive Officer Mar. 2007 Representative Director, President and Executive Officer of Yamato Transport Co., Ltd. Jun. 2008 Director and Executive Officer of the Company Apr. 2011 Representative Director, President and Executive Officer Apr. 2015 Representative Director and Chairman (current) [Reasons for nomination as a candidate for Director] Mr. Makoto Kigawa draws on the abundant business experience and considerable insight he has gained outside the Company, and furthermore possesses experience and achievements developed in the course of taking on leadership roles in Group management. In that regard, he acted as Representative Director and President of the Company from April 2011 to March 2015, after having previously served as Representative Director and President of the Company's subsidiary Yamato Transport Co., Ltd. The Company proposes his reelection to continue serving in the position of Representative Director and Chairman of the Company which he has held since April 2015, so that he can contribute to heightening corporate value through efforts geared to maintaining and improving the Company's governance practices.	53,900

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company (Important Concurrent Positions at Other Organizations)	Number of Shares Owned
2	Reelection Masaki Yamauchi (Jan. 11, 1961)	Apr. 1984 Joined the Company Apr. 2005 Executive Officer Apr. 2005 President, Tokyo Branch Nov. 2005 Executive Officer of Yamato Transport Co., Ltd. Nov. 2005 General Manager of Human Resources and Administration Mar. 2007 Executive Officer of the Company Mar. 2007 Responsible for Human Resources Strategy May 2007 Responsible for Management Strategy Apr. 2008 Representative Director, President and Executive Officer of Yamato Logistics Co., Ltd. Apr. 2011 Representative Director, President and Executive Officer of Yamato Transport Co., Ltd. Jun. 2011 Director and Executive Officer of the Company Apr. 2015 Representative Director, President and Executive Officer (current) [Reasons for nomination as a candidate for Director] Mr. Masaki Yamauchi possesses experience and achievements developed in the course of taking on leadership roles in Group management. In that regard, he has been acting as Representative Director and President of the Company since April 2015, after having served as Representative Director and President of Yamato Logistics Co., Ltd., and as Representative Director and President of Yamato Transport Co., Ltd. The Company proposes his reelection to continue serving in the position of Representative Director and President of the Company, so that he can contribute to heightening corporate value through efforts geared to maintaining and improving the Company's governance practices.	27,800

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company (Important Concurrent Positions at Other Organizations)	Number of Shares Owned
3	Reelection Haruo Kanda (Sep. 26, 1952)	Jan. 1985 Joined the Company Apr. 2004 General Manager of Human Resources Aug. 2005 Executive Officer Nov. 2005 Executive Officer of Yamato Transport Co., Ltd. Jul. 2006 Managing Executive Officer Apr. 2008 Managing Executive Officer of the Company Jun. 2008 Representative Director and Managing Executive Officer Apr. 2013 Representative Director and Senior Managing Executive Officer Apr. 2014 Responsible for Human Resources Strategy, Network Strategy, Legal Affairs, CSR Strategy and Audit Apr. 2015 Representative Director, Vice President and Executive Officer (current) (Important Concurrent Positions at Other Organizations) Representative Director and Chairman of Yamato Transport Co., Ltd. [Reasons for nomination as a candidate for Director] Mr. Haruo Kanda possesses experience and achievements developed in the course of taking on leadership roles in Group management. In that regard, he has been acting as Representative Director, Vice President and Executive Officer of the Company since April 2015, after having served as Executive Officer of the Company's subsidiary Yamato Transport Co., Ltd., and subsequently serving as an executive officer supervising administrative departments responsible for human resources strategy, network strategy, legal affairs, CSR strategy and audit. The Company proposes his reelection to continue serving in the position of Representative Director and Vice President of the Company, so that he can contribute to heightening corporate value through efforts geared to maintaining and improving the Company's governance practices.	21,100

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company (Important Concurrent Positions at Other Organizations)	Number of Shares Owned
4	Reelection Outside Independent Toshitaka Hagiwara (Jun. 15, 1940)	Dec. 1969 Joined Komatsu Ltd. Jun. 1990 Director Jun. 1995 Managing Director Jun. 1997 Executive Managing Director Jun. 1999 Executive Vice President Jun. 2003 Chairman and Representative Director of the Board Jun. 2007 Councilor and Senior Adviser Jun. 2009 Director of the Company (current) Jul. 2011 Senior Adviser of Komatsu Ltd. Jul. 2013 Adviser (current) (Important Concurrent Positions at Other Organizations) Adviser of Komatsu Ltd. Outside Director of Zensho Holdings Co., Ltd. Outside Director of Hino Motors, Ltd. Outside Director of Takamatsu Construction Group Co., Ltd. [Reasons for nomination as a candidate for Outside Director] Mr. Toshitaka Hagiwara possesses abundant experience and considerable insight as a corporate manager. Accordingly, the Company has determined that his advice regarding overall management of the Company will contribute to further enhancing our management structure, and proposes to elect him as Outside Director.	3,000

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company (Important Concurrent Positions at Other Organizations)	Number of Shares Owned
5	Reelection Outside Independent Masakatsu Mori (Jan. 22, 1947)	Apr. 1969 Joined Arthur Andersen & Co. (currently: Accenture Japan Ltd) May 1972 Qualified as Certified Public Accountant Sep. 1981 Partner (business partner) of Arthur Andersen & Co. (currently: Accenture Japan Ltd) Feb. 1989 President of Andersen Consulting (currently: Accenture Japan Ltd) Board Member of Andersen Consulting (Global) (currently: Accenture) Apr. 2003 Representative Director and Chairman of Accenture Japan Ltd Sep. 2007 Corporate Advisor of Accenture Japan Ltd Oct. 2009 President of the International University of Japan (IUJ) Apr. 2013 Senior Advisor of IUJ Jun. 2013 Director of the Company (current) Nov. 2013 Vice Chairman of IUJ (current) (Important Concurrent Positions at Other Organizations) Vice Chairman of the International University of Japan Board of Director of SKY Perfect JSAT Holdings Inc. Board of Director of Stanley Electric Co., Ltd. Outside Audit & Supervisory Board Member of Kirin Holdings Company, Limited [Reasons for nomination as a candidate for Outside Director] Mr. Masakatsu Mori possesses abundant experience and considerable insight as a corporate manager. Accordingly, the Company has determined that his advice regarding overall management of the Company will contribute to further enhancing our management structure, and proposes to elect him as Outside Director.	5,400

Notes:
1. There are no particular vested interests between the Company and the candidates.
2. Additional information regarding the candidates of Outside Directors is as follows.
   (1) Independent officers
   The Company appointed Mr. Toshitaka Hagiwara and Mr. Masakatsu Mori as independent officers provided for under the provisions of the Tokyo Stock Exchange, Inc. and registered the individuals as such with that exchange. The Company plans on having the officers keep their position if their reelection is approved. Mr. Toshitaka Hagiwara and Mr. Masakatsu Mori satisfy the requirements for Criteria for Determining Independence of the Company on page 62.
   (2) The number of years as Outside Director of the Company
   Mr. Toshitaka Hagiwara and Mr. Masakatsu Mori have been serving as the Company's Outside Directors for seven years and three years as of the closing of this General Meeting of Shareholders.
   (3) Inappropriate conducts of business occurred and corrective and preventive measures implemented against such conducts during the past five years at another company at which a candidate served as a director
      1) Mr. Toshitaka Hagiwara served as an outside director of NSK Ltd. from June 2010 to June 2014. In July 2011, NSK was subject to an on-site inspection by the Japan Fair Trade Commission for violation of the Antimonopoly Act of Japan regarding sales of bearing products. Following that, NSK was fined by the Tokyo District Court in February 2013, and received a cease and desist order and a penalty payment order from the Japan Fair Trade Commission in March 2013 in accordance with such Act. Furthermore, NSK and its subsidiaries were investigated by the relevant competition law authorities in respective countries, resulting in a plea bargain agreement that included payment of a fine, entered into

with the United States Department of Justice in September 2013. The companies were also ordered to pay penalties and other fines in 2014 by the relevant authorities and courts in Canada (January), Europe (March), Australia (May), Singapore (May) and China (August).
Mr. Toshitaka Hagiwara had not been aware of the aforementioned violations of antitrust law until those incidents came to light, but as an outside director he had routinely provided NSK advice from the perspective of regulatory compliance while promoting awareness of the importance of such compliance. Upon revelation of aforementioned incidents, he participated in meetings of the board of directors and other such forums where he examined the facts regarding the violations, enhanced and ensured regulatory compliance, and called for putting appropriate measures in place to prevent recurrence of such incidents. By properly executing his duties in this way, he worked to restore trust in the corporate group of NSK Ltd.

2) Since June 2010, Mr. Toshitaka Hagiwara has been serving as an outside director of Zensho Holdings Co., Ltd. That company maintains full ownership of subsidiary Zensho Co., Ltd. (now named Sukiya Co., Ltd.), operator of *gyudon* (Japanese hot pot) chain restaurant Sukiya, which was subject to a directive from the Labour Standards Inspection Office and other authorities to take remedial measures after findings that some of its employees had experienced excessive working conditions from February to March, 2014. Zensho took the matter seriously, and in April 2014 organized a third-party panel of experts tasked with thoroughly looking into factors causing the incidents and providing suggestions for improvement. The panel gave Zensho its report in July 2014. In line with the suggestions of the report, Zensho took steps to make improvements that included organizing a panel in November 2014 for promoting a better workplace environment, composed of five experts tasked with accelerating and fully implementing such improvements. As a result, in March 2015 the panel provided Zensho with a report summarizing and evaluating progress made in that regard.
As an outside director, Mr. Toshitaka Hagiwara has routinely provided Zensho Holdings with advice from the perspective of regulatory compliance, and since the aforementioned incident he has been properly executing his duties by taking part in meetings of the company's board of directors and other such forums where he has been working to further strengthen and ensure compliance practices, while calling for appropriate measures for preventing incidents such as the above to be put in place from the perspective of regulatory compliance.

3) Mr. Masakatsu Mori has been serving as an outside director of Stanley Electric Co., Ltd. since June 2010. The company underwent an on-site inspection by the Japan Fair Trade Commission in March 2012 regarding sales of automotive lamps. In March 2013, the Commission made reference that the company had violated the Antimonopoly Act of Japan.
Mr. Masakatsu Mori as an outside director has routinely provided comments as appropriate on the importance of regulatory compliance and its thoroughness on occasions such as board meetings. He has executed his duties in an appropriate manner as evidenced after the above alleged violation against the Antimonopoly Act of Japan was revealed. He offered various recommendations and opinions for a further, stronger internal control that would enable the company to conduct a fact-finding investigation and putting preventive measures in place.

3. Agreement on liability limitation
The Company has concluded an agreement with Mr. Toshitaka Hagiwara and Mr. Masakatsu Mori regarding liability limitation according to the Companies Act, Article 423, Paragraph 1. According to the agreement, the maximum liability amount is the minimum amount stipulated by the Companies Act, Article 425, Paragraph 1. If the reelection proposal is approved, the Company will continue its agreement with them.

Agenda Item 2. Election of One (1) Audit & Supervisory Board Member

The term of one (1) Audit & Supervisory Board Member, namely Mr. Hiroyuki Kanae, will expire at the close of this General Meeting of Shareholders. Accordingly, we would like to propose the election of one (1) Audit & Supervisory Board Member.
The following is the candidate for Audit & Supervisory Board Member.
Please note that Mr. Hiroyuki Kanae is a candidate for Outside Audit & Supervisory Board Member.
In addition, the Audit & Supervisory Board has already approved this proposal.

Name of Candidate (Date of Birth)	Brief Background and Position at the Company (Important Concurrent Positions at Other Organizations)		Number of Shares Owned
Reelection Outside Independent Hiroyuki Kanae (Mar. 28, 1954)	Apr. 1979	Licensed and registered as an attorney at law (Bengoshi) at Daini Tokyo Bar Association	2,100
	Sep. 1987	Coudert Brothers, New York	
	Jul. 1988	Licensed and registered as an attorney at law in the State of New York	
	Sep. 1988	Nishi, Tanaka & Takahashi (Associate)	
	Apr. 1992	Nishi, Tanaka & Takahashi (Partner)	
	May 2001	Shin-Tokyo Law Office (Partner)	
	Oct. 2007	Through the consolidation of law offices, name change to Bingham McCutchen Murase, Sakai Mimura Aizawa, Foreign Law Joint Enterprise (later became Bingham Sakai Mimura Aizawa, Foreign Law Joint Enterprise) (Partner)	
	Jun. 2012	Audit & Supervisory Board Member of the Company (current)	
	Apr. 2015	Through the consolidation of law offices, name change to Anderson Mori & Tomotsune LPC (Partner) (current)	
	(Important Concurrent Positions at Other Organizations) Attorney at law		
	[Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member] The Company proposes to elect Mr. Hiroyuki Kanae as Outside Audit & Supervisory Board Member in order to draw on his high level of expertise as an international attorney with respect to the Company's audit structure in promoting overseas business expansion. Although Mr. Hiroyuki Kanae does not have previous experience contributing to corporate management, the Company has judged that he is capable of appropriately performing duties as Outside Audit & Supervisory Board Member because he possesses abundant experience and considerable insight as an attorney at law.		

Notes:
1. There are no particular vested interests between the Company and the candidate.
2. Additional information regarding the candidate of Outside Audit & Supervisory Board Member is as follows.
   (1) Independent officers
   The Company appointed Mr. Hiroyuki Kanae as an independent officer provided for under the provisions of the Tokyo Stock Exchange, Inc. and registered the individual as such with that exchange. The Company plans on having the officer keep the position if the reelection is approved. Mr. Hiroyuki Kanae satisfies the requirements for Criteria for Determining Independence of the Company on page 62.

(2) The number of years as Outside Audit & Supervisory Board Member of the Company
Mr. Hiroyuki Kanae has been serving as the Company's Outside Audit & Supervisory Board Member for four years as of the closing of this General Meeting of Shareholders.

3. Agreement on liability limitation
The Company has concluded an agreement with Mr. Hiroyuki Kanae regarding liability limitation according to the Companies Act, Article 423, Paragraph 1. According to the agreement, the maximum liability amount is the minimum amount stipulated by the Companies Act, Article 425, Paragraph 1. If the reelection proposal is approved, the Company will continue its agreement with him.

Criteria for Determining Independence in Electing Outside Officers of the Yamato Group

1. Criteria for determining independence
   Yamato Holdings Co., Ltd. has established the following criteria for determining the independence of the Outside Directors and Outside Audit & Supervisory Board Members of the Company (hereinafter collectively referred to as “Outside Officers”).

2. Independence requirements for Outside Officers
   A party with respect to whom any of the following apply shall be deemed as not having met the requirements for independence of an Outside Director or Outside Audit & Supervisory Board Member of the Company.

   (1) A party who is a major business partner of either the Company or a Group company (hereinafter collectively referred to as the “Company”), or otherwise if such party is a corporation or other such entity, an person who executes business thereof;

   (2) A major business partner of the Company, or otherwise if such party is a corporation or other such entity, a person who executes business thereof;

   (3) A consultant, accounting professional or legal professional who receives substantial monetary consideration and/or other economic benefits from the Company besides officer remuneration;

   (4) A consultant, accounting professional, legal professional or other such professional who is a member of a corporation or other such entity that provides professional services acting as a major business partner of the company;

   (5) A major shareholder of the Company, or otherwise if such major shareholder is a corporation or other such entity, a person who executes business thereof;

   (6) A recipient of donations from the Company or a person who executes business thereof;

   (7) A person who now serves or has served in the past as a Director (excluding Outside Director), Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Member), Executive Officer, or employee of either the Company or one of its subsidiaries;

   (8) A close relative of a Director, Audit & Supervisory Board Member, Executive Officer or employee of the Company;

   (9) A close relative of a person (excluding inconsequential persons) with respect to whom any of the aforementioned apply.

Exercise of Voting Rights via the Internet

Exercise of Voting Rights via the Internet

1. Regarding Exercise of Voting Rights via the Internet

1) Instead of voting by mail, you may vote via the Internet by accessing the designated “Exercise of Voting Rights Website” by PC or mobile phone (refer to the URL below). To use this website, you need to log in with the “Exercise of Voting Rights Code” and the “Password” printed on the right-hand side of the enclosed Voting Rights Exercise Form, and enter information in accordance with the instructions on the screen. For security reasons, it is necessary for you to change your password when you log in for the first time.

http://www.it-soukai.com/

(for mobile phones)

2) The deadline for voting is 5 p.m. (Japan Standard Time) on Thursday, June 23, 2016. The Company kindly requests that you enter your vote early.
3) If you exercise your voting rights by both sending the Voting Rights Exercise Form and via the Internet, only your vote via the Internet shall be deemed effective. If you exercise your voting rights several times via the Internet, only your final vote shall be deemed effective.
4) Your password (including the password after you have changed it) shall be effective only for this Ordinary General Meeting of Shareholders. At the time of the next Ordinary General Meeting of Shareholders, a new password will be issued.
5) You shall bear your own expenses for connection to the Internet.

(Notes)

- The password is a means to confirm that the person voting is the relevant shareholder. The Company will not contact you to ask for your password.
- If you enter your password incorrectly for a certain number of times, the password will be locked and you will no longer be able to use it. If this occurs, please complete the procedures indicated in the guidance on the screen.
- Although operational checks have been carried out for the Exercise of Voting Rights Website for common Internet connection equipment, there is a possibility that you may be unable to use the site due to the equipment you are using.

2. For your inquiries

If you have any inquiries, please contact the Securities Agent Dept. of Mizuho Trust & Banking Co., Ltd., which is the Company’s shareholder registry administrator, as shown below.

1) Inquiries regarding operation of the Exercise of Voting Rights Website:

Tel: 0120－768－524 (toll free only from Japan) (Business hours: 9 a.m. to 9 p.m. on weekdays)

2) Inquiries regarding share procedures other than the above:

Tel: 0120－288－324 (toll free only from Japan) (Business hours: 9 a.m. to 5 p.m. on weekdays)

[Exercise of Voting Rights via the ICJ Electronic Voting Platform]

Institutional investors may use the ICJ platform to electronically exercise the voting rights for this General Meeting of Shareholders.

Access to the Venue

Location: Ginza Blossom (Chuo Kaikan) Hall
15-6, Ginza 2-chome, Chuo-ku, Tokyo
TEL: 03-3542-8585

Tokyo Metro subway:

3 minutes walk from Shintomicho Station (Exit 1) on the Yurakucho Line

15 minutes walk from Ginza Station (Exit A13) on the Ginza Line

10 minutes walk from Higashi Ginza Station (Exit 5) on the Hibiya Line

Toei subway:

10 minutes walk from Higashi Ginza Station (Exit A7 or A8) on the Toei Asakusa Line

JR:

20 minutes walk from Yurakucho Station (Central Exit) on the Yamanote Line

or the Keihin-tohoku Line

Note: Vehicle parking will not be available at the meeting venue, so we ask that you refrain from coming to the event by car.