Notes to Consolidated Financial Statements

Year Ended March 31, 2018

1. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications and rearrangements have been made in the 2017 consolidated financial statements to conform them to the classifications and presentations used in 2018.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Yamato Holdings Co., Ltd. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥106.24 to $1, the approximate rate of exchange at March 31, 2018. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation—The consolidated financial statements as of March 31, 2018, include the accounts of the Company and its 40 significant (39 in 2017) subsidiaries (together, the "Group").

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

YAMATO (CHINA) CO., LTD. was newly established and is included in the scope of consolidation effective from the fiscal year ended March 31, 2018.

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

There were 16 (14 in 2017) affiliates accounted for by the equity method.

Effective from the fiscal year ended March 31, 2018, the scope of equity method includes SCG YAMATO EXPRESS CO., LTD. and one other company mainly due to their increased materiality.

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

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

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

***c. Recognition of Operating Revenues*—**The Group recognizes freight charge income as operating revenue at the time when freight has been received from the shipping customer for transportation.

Fees from customers based on installment sales contracts are recognized by the equal installment method.

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

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

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	**2018**
Cash and cash equivalents presented in the consolidated balance sheet	**¥204,422**	¥230,129	**$1,924,157**
Time deposits due beyond three months	**(1,559)**	(1,203)	**(14,675)**
Cash and cash equivalents presented in the consolidated statement of cash flows	**¥202,863**	¥228,926	**$1,909,482**

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

***f. Marketable and Investment Securities*—**Marketable and investment securities are classified and accounted for, depending on management's intent, as follows: (1) trading securities, which are held for the purpose of earning capital gains in near term, are reported at fair value, and the related unrealized gains and losses are included in earnings; (2) held-to-maturity debt securities, for which there is a positive intent and ability to hold to maturity, are reported at amortized cost; and (3) available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The Group had no trading securities at March 31, 2018 and 2017.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method.

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

***g. Property, Plant and Equipment*—**Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment excluding leased assets of the Company and its domestic consolidated subsidiaries is computed substantially by the declining-balance method, while the straight-line method is applied to buildings acquired on or after April 1, 1998, and facilities attached to buildings and structures acquired on or after April 1, 2016. Depreciation of leased assets is computed by the straight-line method over the lease period with no residual value carried.

The depreciation of property, plant and equipment of foreign consolidated subsidiaries is computed by the straight-line method over the estimated useful lives of the assets. The range of useful lives is principally as follows:

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

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

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

***i. Other Assets*—**Amortization of intangible assets is computed by the straight-line method.

Depreciation of leased assets is computed by the straight-line method over the lease period with no residual value carried.

j. Provision for Special Wage Payments—The Group conducted investigation during the fiscal year ended March 31, 2017, in order to measure unrecognized working hours. The provision for special wage payments has been recorded on the basis of the estimated amount of payment with regard to consideration for labor in accordance with the result of the investigation.

k. Retirement and Pension Plan—The Company and consolidated subsidiaries mainly have a contributory trusted pension plan and an unfunded retirement benefit plan. In addition, a defined contribution retirement plan was introduced along with these defined benefit pension plans.

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

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

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

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

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

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

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

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

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

p. Derivative Financial Instruments—The Company and certain consolidated subsidiaries use derivative financial instruments to manage their exposures to fluctuations in interest rates. Interest rate swaps are utilized by the Company and the consolidated subsidiaries to reduce interest rate risks. The Group has a policy not to enter into derivatives for trading or speculative purposes.

The interest rate swaps, which qualify for hedge accounting and meet specific matching criteria, are not remeasured at market value but the differential paid or received under the swap agreements is recognized and included in interest expense or income.

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

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

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

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

For the years ended March 31, 2018 and 2017, diluted earnings per share is not disclosed because the Company had no dilutive securities.

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

s. Accounting Changes and Error Corrections—Under ASBJ Statement No. 24, “Accounting Standard for Accounting Changes and Error Corrections,” and ASBJ Guidance No. 24, “Guidance on Accounting Standard for Accounting Changes and Error Corrections,” accounting treatments are required as follows:

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

t. New Accounting Pronouncements

Tax Effect Accounting—In February 2018, the ASBJ revised ASBJ Guidance No. 28, “Implementation Guidance on Tax Effect Accounting,” and ASBJ Guidance No. 26, “Implementation Guidance on Recoverability of Deferred Tax Assets.”

The guidance has been revised mainly for accounting treatment of future taxable amount of stocks of subsidiaries, etc. in individual financial statements and recoverability of deferred tax assets in companies corresponding to (Category 1).

The guidance will be applied from the beginning of the fiscal year that begins on or after April 1, 2018.

The Company is now in the process of measuring the effect of applying the guidance.

Accounting Standards for Revenue Recognition—In March 2018, the ASBJ issued ASBJ Statement No. 29, “Accounting Standard for Revenue Recognition,” and ASBJ Guidance No. 30, “Implementation Guidance on Accounting Standard for Revenue Recognition.” An entity should recognize revenue by applying the following steps:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The accounting standard and guidance will be applied from the beginning of the fiscal year that begins on or after April 1, 2021.

The Company is now in the process of measuring the effect of applying the accounting standard and guidance.

Notes to Consolidated Financial Statements

3. INSTALLMENT RECEIVABLES

Sales recorded on the installment basis were 0.3% of operating revenues in both 2018 and 2017.

Annual maturities of installment receivables at March 31, 2018, and related amortization of deferred profit on installment sales are as follows:

	Millions of Yen		Thousands of U.S. Dollars	
Year Ending March 31	Receivables	Deferred Profit on Installment Sales	Receivables	Deferred Profit on Installment Sales
2019	¥23,306	¥2,314	$219,369	$21,781
2020	11,448	1,624	107,756	15,286
2021	6,404	985	60,278	9,268
2022	3,195	522	30,073	4,919
2023	1,524	276	14,345	2,595
2024 and thereafter	816	179	7,683	1,690
Total	¥46,693	¥5,900	$439,504	$55,539

4. INVENTORIES

Inventories at March 31, 2018 and 2017, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	2018
Merchandise	¥ 750	¥ 740	$ 7,057
Work in process	146	216	1,380
Raw materials and supplies	1,920	1,819	18,068
Total	¥2,816	¥2,775	$26,505

5. MARKETABLE AND INVESTMENT SECURITIES

Marketable and investment securities as of March 31, 2018 and 2017, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	2018
Non-current:			
Marketable equity securities	¥34,218	¥31,350	$322,079
Non-marketable equity securities	1,210	743	11,393
Other	804	495	7,566
Total	¥36,232	¥32,588	$341,038

Information regarding each category of the securities classified as available-for-sale at March 31, 2018 and 2017, is as follows:

	Millions of Yen			
	2018			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale: Equity securities	¥14,798	¥19,426	¥6	¥34,218

	Millions of Yen			
	2017			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale: Equity securities	¥15,815	¥15,540	¥5	¥31,350

	Thousands of U.S. Dollars			
	2018			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale: Equity securities	$139,288	$182,851	$60	$322,079

Information for available-for-sale securities, which were sold during the years ended March 31, 2018 and 2017, is as follows:

	Millions of Yen		
March 31, 2018	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	**¥2,672**	**¥1,639**	**¥—**
Other			
Total	**¥2,672**	**¥1,639**	**¥—**
March 31, 2017			
Available-for-sale: Equity securities	¥1,543	¥600	¥—

	Thousands of U.S. Dollars		
March 31, 2018	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	**$25,151**	**$15,428**	**$—**
Other			
Total	**$25,151**	**$15,428**	**$—**

Loss on valuation of available-for-sale equity securities for the year ended March 31, 2018 and 2017, were ¥1 million ($9 thousand) and ¥1 million, respectively.

6. LONG-LIVED ASSETS

The Group reviewed its long-lived assets for impairment as of the years ended March 31, 2018 and 2017. As a result, the Group recognized an impairment loss of ¥3,241 million ($30,507 thousand) as other expense for the asset groups of the Miyagi Regional Branch of Yamato Transport Co., Ltd. and fourteen other asset groups for the year ended March 31, 2018, and ¥1,284 million as other expense for the asset groups of the Aomori Regional Branch of Yamato Transport Co., Ltd. and nine other asset groups for the year ended March 31, 2017, due to continuous operating losses of those units or significant declines in market prices. The carrying amounts of the relevant asset groups were written down to their recoverable amounts. In the case where the net selling prices were used as recoverable amounts, the relevant asset groups were evaluated mainly based on Real Estate Appraisal Standards, assessed value of fixed assets, and posted land prices. In the case where the recoverable amounts were measured at its value in use, the discount rate used for computation of present value of future cash flows was 5.26%.

7. BANK LOANS AND LONG-TERM DEBT

Short-term bank loans consisted of notes to banks at March 31, 2018, and notes to banks and bank overdrafts at March 31, 2017. The weighted-average interest rates applicable to the bank loans as of March 31, 2018 and 2017, were approximately 0.134% and 0.103%, respectively.
Long-term debt at March 31, 2018 and 2017, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	2018
0.010% to 0.299% loans from banks due 2018 to 2022	¥ 93,900		$ 883,847
0.010% to 0.430% loans from banks due 2017 to 2022		¥130,776	
Lease obligations	5,789	7,295	54,485
Unsecured 0.050% bonds due in March 2019	10,000	10,000	94,127
Unsecured 0.090% bonds due in March 2021	10,000	10,000	94,127
Total	119,689	158,071	1,126,586
Less current portion	(45,840)	(43,304)	(431,472)
Total	¥ 73,849	¥114,767	$ 695,114

Annual maturities of long-term debt at March 31, 2018, are as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2019	¥ 45,840	$ 431,472
2020	42,541	400,427
2021	16,452	154,860
2022	14,408	135,613
2023	168	1,579
2024 and thereafter	280	2,635
Total	¥119,689	$1,126,586

8. RETIREMENT AND PENSION PLANS

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

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

(1) Defined Benefit Pension Plans

The changes in defined benefit obligation for the years ended March 31, 2018 and 2017, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	2018
Balance at beginning of year	¥158,382	¥153,513	$1,490,788
Service cost	12,221	11,520	115,033
Interest cost	151	147	1,423
Actuarial loss (gain) arising during the year	5,884	(49)	55,383
Retirement benefits paid	(6,985)	(6,749)	(65,742)
Balance at end of year	¥169,653	¥158,382	$1,596,885

The changes in plan assets for the years ended March 31, 2018 and 2017, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	2018
Balance at beginning of year	¥87,547	¥82,016	$824,047
Expected return on plan assets	875	820	8,240
Actuarial gain arising during the year	3,565	2,486	33,552
Contributions from the employer	4,343	4,313	40,882
Retirement benefits paid	(2,043)	(2,088)	(19,232)
Balance at end of year	¥94,287	¥87,547	$887,489

Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets as of March 31, 2018 and 2017, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	2018
Defined benefit obligation of funded plan	¥ 64,355	¥ 61,358	$ 605,754
Plan assets	(94,287)	(87,547)	(887,489)
	(29,932)	(26,189)	(281,735)
Defined benefit obligation of unfunded plan	105,298	97,024	991,131
Net liability arising from defined benefit obligation	¥ 75,366	¥ 70,835	$ 709,396

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	2018
Liability for employees' retirement benefits	¥75,495	¥70,952	$710,611
Asset for employees' retirement benefits	(129)	(117)	(1,215)
Net liability arising from defined benefit obligation	¥75,366	¥70,835	$709,396

The amount of the liability and asset for employees' retirement benefits that are offset individually by the Company and subsidiaries are combined.

The components of net periodic benefit costs for the years ended March 31, 2018 and 2017, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	2018
Service cost	¥12,221	¥11,520	$115,033
Interest cost	151	147	1,423
Expected return on plan assets	(875)	(820)	(8,240)
Recognized actuarial loss	2,321	3,966	21,844
Others	(29)	(24)	(267)
Net periodic benefit costs	¥13,789	¥14,789	$129,793

Amounts recognized in other comprehensive income (before income tax effect adjustments) in respect of defined retirement benefit plans for the years ended March 31, 2018 and 2017, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	2018
Actuarial gain	**¥2**	¥6,501	**$13**
Total	**¥2**	¥6,501	**$13**

Amounts recognized in accumulated other comprehensive income (before income tax effect adjustments) in respect of defined retirement benefit plans as of March 31, 2018 and 2017, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	2018
Unrecognized actuarial loss	**¥(8,028)**	¥(8,030)	**$(75,568)**
Total	**¥(8,028)**	¥(8,030)	**$(75,568)**

Plan assets as of March 31, 2018 and 2017, consisted of the following:

	2018	2017
General accounts	**30%**	32%
Debt investments	**25**	26
Equity investments	**23**	23
Others	**22**	19
Total	**100%**	100%

Assumptions used for the years ended March 31, 2018 and 2017, were set forth as follows:

	2018	2017
Discount rate	**0.1%**	0.1%
Expected rate of return on plan assets	**1.0%**	1.0%

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

(2) Defined Contribution Retirement Plans

The amounts contributed to the defined contribution retirement plans of the Group for the years ended March 31, 2018 and 2017, were ¥2,330 million ($21,931 thousand) and ¥2,235 million, respectively.

9. ASSET RETIREMENT OBLIGATIONS

The changes in asset retirement obligations for the years ended March 31, 2018 and 2017, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	2018
Balance at beginning of year	¥5,535	¥5,184	$52,102
Additional provisions associated with the acquisition of property, plant and equipment	257	326	2,416
Reconciliation associated with passage of time	104	99	978
Reconciliation associated with changes in accounting estimates	(1)	15	(6)
Reduction associated with settlement of asset retirement obligations	(85)	(46)	(799)
Others	(10)	(43)	(101)
Balance at end of year	¥5,800	¥5,535	$54,590

Changes in accounting estimates were recorded as it became evident that the estimate of the discounted cash flows required for future asset retirement would change at the beginning of the year. A reconciliation has been prepared for the change, which resulted in a decrease and increase of the asset retirement obligation for the years ended March 31, 2018 and 2017, by ¥1 million ($6 thousand) and ¥15 million, respectively.

10. EQUITY

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

a. Dividends

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

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

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

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

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

c. Treasury Stock

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

11. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes, which, in the aggregate, resulted in normal effective statutory tax rates of 30.9% for the years ended March 31, 2018 and 2017.

The tax effects of significant temporary differences, which resulted in deferred tax assets and liabilities at March 31, 2018 and 2017, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	**2018**
Deferred tax assets:			
Current:			
Accrued expenses	**¥ 10,146**	¥ 9,835	**$ 95,500**
Enterprise tax	**1,502**	1,925	**14,135**
Allowance for doubtful accounts	**270**	269	**2,545**
Legal welfare expense	**1,659**	2,377	**15,619**
Provision for special wage payments		4,682	
Tax loss carryforwards	**4,323**	192	**40,687**
Other	**1,686**	1,783	**15,873**
Less valuation allowance	**(137)**	(160)	**(1,289)**
Deferred tax assets—current	**¥ 19,449**	¥ 20,903	**$ 183,070**
Non-current:			
Liability for employees' retirement benefits	**¥ 23,184**	¥ 21,775	**$ 218,224**
Loss on valuation of investment securities	**1,731**	1,872	**16,293**
Loss on valuation of land	**20,759**	20,760	**195,400**
Loss on impairment of long-lived assets	**4,211**	4,447	**39,632**
Loss on valuation of telephone subscription rights	**469**	469	**4,416**
Unrealized profit	**2,457**	2,278	**23,124**
Other	**10,739**	10,479	**101,078**
Less valuation allowance	**(31,748)**	(32,085)	**(298,829)**
Deferred tax assets—non-current	**¥ 31,802**	¥ 29,995	**$ 299,338**
Deferred tax liabilities:			
Current—other	**¥ (205)**	¥ (220)	**$ (1,936)**
Deferred tax liabilities—current	**¥ (205)**	¥ (220)	**$ (1,936)**
Non-current:			
Unrealized gain on available-for-sale securities	**¥ (5,125)**	¥ (3,731)	**$ (48,240)**
Other	**(2,987)**	(2,783)	**(28,109)**
Deferred tax liabilities—non-current	**¥ (8,112)**	¥ (6,514)	**$ (76,349)**
Deferred tax assets—net	**¥ 42,934**	¥ 44,164	**$ 404,123**

Reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income for the year ended March 31, 2018, with the corresponding figures for 2017 was as follows:

	2018	2017
Normal effective statutory tax rate	**30.9%**	30.9%
Per capita levy of local taxes	**9.2**	8.9
Difference of tax rates for foreign subsidiaries	**2.8**	1.3
Valuation allowance	**(0.0)**	2.9
Other—net	**0.7**	0.4
Actual effective tax rate	**43.6%**	44.4%

12. LEASES

(1) Lessee

The Group leases certain machinery, computer equipment and other assets.

Future rental payments under non-cancelable operating leases at March 31, 2018 and 2017, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	2018
Due within one year	**¥ 3,066**	¥164	**$ 28,865**
Due after one year	**32,812**	304	**308,845**
Total	**¥35,878**	¥468	**$337,710**

(2) Lessor

The net investments in lease as of March 31, 2018 and 2017, were summarized as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	2018
Gross lease receivables	**¥49,797**	¥48,702	**$468,725**
Unguaranteed residual values	**6,584**	5,875	**61,972**
Unearned interest income	**(3,739)**	(3,800)	**(35,199)**
Investments in leases—current	**¥52,642**	¥50,777	**$495,498**

Maturities of lease receivables for finance leases that are deemed not to transfer ownership of the leased property to the lessee as of March 31, 2018, are as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2019	**¥17,409**	**$163,862**
2020	**13,645**	**128,438**
2021	**9,819**	**92,428**
2022	**6,250**	**58,831**
2023	**2,334**	**21,969**
2024 and thereafter	**340**	**3,197**
Total	**¥49,797**	**$468,725**

The minimum rental commitments under non-cancelable operating leases at March 31, 2018 and 2017, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	2018
Due within one year	¥ 4,399	¥3,735	$ 41,406
Due after one year	7,154	6,212	67,336
Total	¥11,553	¥9,947	$108,742

13. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Group Policy for Financial Instruments

The Group uses financial instruments, mainly long-term debt including bank loans and bonds, in order to expand its business based on its investment plan to expand its network. Cash surpluses, if any, are invested in low risk financial assets. Derivatives are used, not for speculative purposes, but to manage exposure to interest fluctuation risk. Certain consolidated subsidiaries conduct leasing or installment sales operations.

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

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

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

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

Short-term bank loans and long-term bank loans are mainly related to a financial business. Most of the bank loans are fixed interest rate loans.

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

(3) Fair Values of Financial Instruments

Fair values of financial instruments are based on quoted prices in active markets. If a quoted price is not available, other rational valuation techniques are used instead. The value could vary depending on the technique used.

Fair values of financial instruments at March 31, 2018 and 2017, were as follows:

	Millions of Yen		
March 31, 2018	Carrying Amount	Fair Value	Difference
Assets:			
Cash and cash equivalents	¥204,422	¥204,422	
Trade notes and accounts receivable	224,099		
Allowance for doubtful accounts	(113)		
	223,986	223,781	¥ (205)
Installment sales receivable	46,693		
Allowance for doubtful accounts	(755)		
Deferred profit on installment sales	(5,900)		
	40,038	45,782	5,744
Available-for-sale securities	34,218	34,218	
Shares of affiliates	13,592	21,259	7,667
Liabilities:			
Trade notes and accounts payable	155,324	155,324	
Short-term loans	66,952	66,966	14
Long-term loans	60,300	60,283	(17)

	Millions of Yen		
March 31, 2017	Carrying Amount	Fair Value	Difference
Assets:			
Cash and cash equivalents	¥230,129	¥230,129	
Trade notes and accounts receivable	208,131		
Allowance for doubtful accounts	(134)		
	207,997	207,984	¥ (13)
Installment sales receivable	46,142		
Allowance for doubtful accounts	(764)		
Deferred profit on installment sales	(6,010)		
	39,368	45,230	5,862
Available-for-sale securities	31,350	31,350	
Shares of affiliates	13,712	13,884	172
Liabilities:			
Trade notes and accounts payable	155,736	155,736	
Short-term loans	60,974	60,997	23
Long-term loans	89,900	89,897	(3)
Derivatives			

	Thousands of U.S. Dollars		
March 31, 2018	Carrying Amount	Fair Value	Difference
Assets:			
Cash and cash equivalents	**$1,924,157**	**$1,924,157**	
Trade notes and accounts receivable	**2,109,367**		
Allowance for doubtful accounts	**(1,061)**		
	2,108,306	**2,106,368**	**$ (1,938)**
Installment sales receivable	**439,504**		
Allowance for doubtful accounts	**(7,098)**		
Deferred profit on installment sales	**(55,539)**		
	376,867	**430,928**	**54,061**
Available-for-sale securities	**322,079**	**322,079**	
Shares of affiliates	**127,934**	**200,102**	**72,168**
Liabilities:			
Trade notes and accounts payable	**1,462,009**	**1,462,009**	
Short-term loans	**630,200**	**630,329**	**129**
Long-term loans	**567,582**	**567,422**	**(160)**

Cash and cash equivalents

The carrying values of cash and cash equivalents approximate fair value because of their short maturities.

Trade notes and accounts receivable

The fair values of receivables are measured at the amount to be received at maturity discounted at the Group's assumed corporate discount rate. A portion of these receivables is determined by discounting the future cash flows related to the receivables at the rate of government bonds.

Installment sales receivable

Allowances for doubtful accounts and deferred profit on installment sales are deducted from the fair values of installment sales receivable, which are determined by discounting the future cash flows related to the installment sales receivable at the market interest rate.

Marketable and investment securities

The fair values of marketable and investment securities are measured at the quoted market price of the stock exchange for the equity instruments, and at the quoted price obtained from the financial institution for certain debt instruments. Fair value information for marketable and investment securities by classification is included in Note 5.

Trade notes and accounts payable

The fair values of payables, all of which are substantially paid within one year, are measured at the amount to be paid.

Short-term loans and long-term loans

The fair values of short-term bank loans and long-term loans are determined by discounting the future cash flows related to the debt at the Group's assumed corporate borrowing rate.

The current portion of long-term bank loans is included in short-term loans in the above table in addition to short-term bank loans on the consolidated balance sheet. Lease payments are not included in long-term loans in the above table.

Derivatives

Fair value information for derivatives is included in Note 14.

(4) Financial Instruments Whose Fair Value Cannot Be Reliably Determined

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	**2018**
Shares of affiliates	**¥6,412**	¥5,862	**$60,350**
Other	**5,620**	3,359	**52,903**

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

March 31, 2018	Millions of Yen Due in One Year or Less	 Due after One Year through Five Years	 Due after Five Years
Cash and cash equivalents	**¥204,422**		
Trade notes and accounts receivable	**205,743**	**¥18,165**	**¥ 191**
Installment sales receivable	**23,306**	**22,571**	**816**
Total	**¥433,471**	**¥40,736**	**¥1,007**
March 31, 2017			
Cash and cash equivalents	¥230,129		
Trade notes and accounts receivable	191,192	¥16,725	¥214
Installment sales receivable	22,982	22,412	748
Total	¥444,303	¥39,137	¥962

March 31, 2018	Thousands of U.S. Dollars Due in One Year or Less	 Due after One Year through Five Years	 Due after Five Years
Cash and cash equivalents	**$1,924,157**		
Trade notes and accounts receivable	**1,936,587**	**$170,987**	**$1,793**
Installment sales receivable	**219,369**	**212,452**	**7,683**
Total	**$4,080,113**	**$383,439**	**$9,476**

(6) Maturity Analysis for Long-term Loans

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2019	**¥33,600**	**$316,265**
2020	**40,800**	**384,036**
2021	**5,500**	**51,769**
2022	**14,000**	**131,777**
Total	**¥93,900**	**$883,847**

Please see Note 7 for annual maturities of long-term loans.

14. DERIVATIVES

The Company and certain consolidated subsidiaries use derivative financial instruments to manage their exposure to fluctuations in interest rates. Interest rate swaps are utilized by the Company and the consolidated subsidiaries to reduce interest rate risk. The Group has a policy not to enter into derivatives for trading or speculative purposes.

The interest rate swaps, which qualify for hedge accounting and meet specific matching criteria, are not remeasured at market value but the differential paid or received under the swap agreements is recognized and included in interest expense or income.

Derivative Transactions to Which Hedge Accounting Is Applied

March 31, 2017	Hedged Item	Millions of Yen Contract Amount	 Contract Amount Due after One Year	 Fair Value
Interest rate swaps (fixed rate payment, floating rate receipt)	Long-term bank loans	¥8,220	¥—	*

There were no derivative transactions to which hedge accounting was applied at March 31, 2018.

* The fair value of interest rate swaps is included in that of hedged items (long-term bank loans due within one year is considered as short-term loans). Please see Note 13.

Notes to Consolidated Financial Statements

15. OTHER COMPREHENSIVE INCOME

The components of other comprehensive income for the years ended March 31, 2018 and 2017, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	2018
Unrealized gain on available-for-sale securities:			
Adjustments arising during the year	¥ 5,567	¥ 2,194	$ 52,403
Reclassification adjustments to profit or loss	(1,639)	(599)	(15,428)
Amount before income tax effect	3,928	1,595	36,975
Income tax effect	(1,414)	(326)	(13,310)
Total	¥ 2,514	¥ 1,269	$ 23,665
Foreign currency translation adjustments:			
Adjustments arising during the year	¥ 1,658	¥(1,174)	$ 15,608
Reclassification adjustments to profit or loss	(89)		(835)
Total	¥ 1,569	¥(1,174)	$ 14,773
Remeasurements of defined employees' retirement benefit plans:			
Adjustments arising during the year	¥(2,319)	¥ 2,535	$(21,831)
Reclassification adjustments to profit or loss	2,321	3,966	21,844
Amount before income tax effect	2	6,501	13
Income tax effect	(1)	(2,045)	(8)
Total	¥ 1	¥ 4,456	$ 5
Share of other comprehensive income of entities accounted for using equity method:			
Adjustments arising during the year	¥ —	¥ 1	$ (2)
Total other comprehensive income	¥ 4,084	¥ 4,552	$ 38,441

16. EARNINGS PER SHARE

Basic earnings per share ("EPS") for the years ended March 31, 2018 and 2017, was as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
Year Ended March 31, 2018	Profit Attributable to Owners of Parent	Weighted-average Shares	EPS	
Basic EPS—Profit attributable to common shareholders	¥18,232	394,277	¥46.24	$0.44
Year Ended March 31, 2017				
Basic EPS—Profit attributable to common shareholders	¥18,054	397,930	¥45.37	

17. SEGMENT INFORMATION

(1) Description of Reportable Segments

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

The Company, as a pure holding company, forms six reportable segments classified according to business content and manages them based on these reportable segments. Therefore, the Group has the following six reporting segments: "Delivery," "BIZ-Logistics," "Home Convenience," "e-Business," "Financial," and "Autoworks" based on the above policy.

The Group defines the reporting segments as follows:

Delivery:	Small-parcel delivery services such as TA-Q-BIN (door-to-door parcel delivery) and Kuroneko DM-Bin (posting service)
BIZ-Logistics:	Intercompany logistics services, aimed at the B2B supply-chain management market
Home Convenience:	Lifestyle support services intimately connected with the needs of local markets, such as moving and household effects delivery services
e-Business:	Information services targeted at the business market, including ASP services and the development of information systems
Financial:	Financial services targeted at business customers and consumers, such as settlement and collection
Autoworks:	Vehicle maintenance services and fuel supply targeted at transport companies

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

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

Notes to Consolidated Financial Statements

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

	Millions of Yen									
	2018									
	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial	Autoworks	Other	Total	Reconciliation	Consolidated
Segment revenues:										
Segment revenues from customers	¥1,201,745	¥121,939	¥48,900	¥46,480	¥ 82,981	¥24,642	¥12,126	¥1,538,813	¥ —	¥1,538,813
Intersegment revenues	69,670	13,800	13,806	39,190	2,899	30,299	44,273	213,937	(213,937)	
Total segment revenues	¥1,271,415	¥135,739	¥62,706	¥85,670	¥ 85,880	¥54,941	¥56,399	¥1,752,750	¥(213,937)	¥1,538,813
Segment profit	¥ 6,758	¥ 4,088	¥ 523	¥10,588	¥ 7,912	¥ 4,141	¥17,217	¥ 51,227	¥ (15,541)	¥ 35,686
Segment assets	662,582	74,571	21,993	49,068	258,791	28,014	13,543	1,108,562	6,872	1,115,434
Other:										
Depreciation and amortization	32,916	2,157	582	4,120	5,233	696	374	46,078	345	46,423
Investment in entities accounted for using equity method	523	5,349						5,872	13,957	19,829
Increase of tangible and intangible fixed assets	34,380	3,589	897	2,023	11,645	830	804	54,168	314	54,482

	Millions of Yen									
	2017									
	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial	Autoworks	Other	Total	Reconciliation	Consolidated
Segment revenues:										
Segment revenues from customers	¥1,151,028	¥108,644	¥49,164	¥45,639	¥ 77,985	¥24,614	¥ 9,778	¥1,466,852	¥ —	¥1,466,852
Intersegment revenues	66,561	13,357	14,594	34,672	3,049	28,186	60,875	221,294	(221,294)	
Total segment revenues	¥1,217,589	¥122,001	¥63,758	¥80,311	¥ 81,034	¥52,800	¥70,653	¥1,688,146	¥(221,294)	¥1,466,852
Segment profit	¥ 5,638	¥ 4,072	¥ 1,077	¥ 9,368	¥ 8,244	¥ 3,274	¥35,477	¥ 67,150	¥ (32,265)	¥ 34,885
Segment assets	638,180	69,957	22,342	47,879	252,745	25,798	11,941	1,068,842	45,830	1,114,672
Other:										
Depreciation and amortization	32,417	2,575	542	4,368	4,402	735	410	45,449	665	46,114
Investment in entities accounted for using equity method	305	5,057						5,362	13,712	19,074
Increase of tangible and intangible fixed assets	31,611	4,798	708	3,445	7,379	264	591	48,796	198	48,994

	Thousands of U.S. Dollars									
	2018									
	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial	Autoworks	Other	Total	Reconciliation	Consolidated
Segment revenues:										
Segment revenues from customers	$11,311,609	$1,147,773	$460,281	$437,501	$ 781,071	$231,946	$114,132	$14,484,313	$ —	$14,484,313
Intersegment revenues	655,780	129,892	129,946	368,882	27,288	285,194	416,728	2,013,710	(2,013,710)	
Total segment revenues	$11,967,389	$1,277,665	$590,227	$806,383	$ 808,359	$517,140	$530,860	$16,498,023	$(2,013,710)	$14,484,313
Segment profit	$ 63,614	$ 38,474	$ 4,920	$ 99,657	$ 74,475	$ 38,979	$162,060	$ 482,179	$ (146,283)	$ 335,896
Segment assets	6,236,650	701,914	207,013	461,861	2,435,905	263,683	127,478	10,434,504	64,683	10,499,187
Other:										
Depreciation and amortization	309,832	20,304	5,482	38,780	49,255	6,550	3,520	433,723	3,245	436,968
Investment in entities accounted for using equity method	4,925	50,346						55,271	131,376	186,647
Increase of tangible and intangible fixed assets	323,611	33,782	8,446	19,037	109,610	7,817	7,564	509,867	2,954	512,821

Notes: "Other" includes JITBOX charter services and shared services.

Segment revenues and segment profit of "Other" include dividends for the years ended March 31, 2018 and 2017, of ¥17,483 million ($164,558 thousand) and ¥34,410 million, respectively, which the Company received from its subsidiaries as a pure holding company.

Reconciliations are as follows:

(1) Reconciliations of segment profit for the years ended March 31, 2018 and 2017, of ¥15,541 million ($146,283 thousand) and ¥32,265 million, respectively, are intersegment eliminations and others.

(2) Reconciliations of segment assets at March 31, 2018 and 2017, of ¥6,872 million ($64,683 thousand) and ¥45,830 million, respectively, include intersegment eliminations of assets and liabilities of ¥154,669 million ($1,455,844 thousand) and ¥150,292 million, and corporate assets which are not allocated to each reporting segment of ¥161,541 million ($1,520,527 thousand) and ¥196,122 million, respectively.

(3) Reconciliations of investments in entities accounted for using equity method at March 31, 2018 and 2017, of ¥13,957 million ($131,376 thousand) and ¥13,712 million, respectively, are investments which are not allocated to each reporting segment.

(4) Reconciliations of increases of tangible and intangible fixed assets at March 31, 2018 and 2017, of ¥314 million ($2,954 thousand) and ¥198 million, respectively, include the Company's capital investment.

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

[Related Information about Reporting Segments]

(1) Information about Products and Services

Operating revenues from customers for the years ended March 31, 2018 and 2017, were as follows:

Millions of Yen							
2018				2017			
TA-Q-BIN	Kuroneko DM-Bin	Other	Total	*TA-Q-BIN*	Kuroneko DM-Bin	Other	Total
¥1,035,053	**¥78,789**	**¥424,971**	**¥1,538,813**	¥981,002	¥81,277	¥404,573	¥1,466,852

Thousands of U.S. Dollars			
2018			
TA-Q-BIN	Kuroneko DM-Bin	Other	Total
$9,742,589	**$741,615**	**$4,000,109**	**$14,484,313**

(2) Information about Geographical Areas

Operating revenues for the years ended March 31, 2018 and 2017, were as follows:

Millions of Yen							
2018				2017			
Japan	North America	Other	Total	Japan	North America	Other	Total
¥1,510,742	**¥10,848**	**¥17,223**	**¥1,538,813**	¥1,441,673	¥9,789	¥15,390	¥1,466,852

Thousands of U.S. Dollars			
2018			
Japan	North America	Other	Total
$14,220,086	**$102,110**	**$162,117**	**$14,484,313**

Property, plant and equipment at March 31, 2018 and 2017, were as follows:

Millions of Yen							
2018				2017			
Japan	North America	Other	Total	Japan	North America	Other	Total
¥403,241	**¥370**	**¥1,447**	**¥405,058**	¥403,528	¥365	¥1,177	¥405,070

Thousands of U.S. Dollars			
2018			
Japan	North America	Other	Total
$3,795,570	**$3,477**	**$13,621**	**$3,812,668**

(3) Information about Loss on Impairment of Long-Lived Assets by Reporting Segments

Loss on impairment of long-lived assets by reporting segments for the years ended March 31, 2018 and 2017, were as follows:

	Millions of Yen									
	2018									
	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial	Autoworks	Other	Total	Eliminations or Corporate	Consolidated
Loss on impairment of long-lived assets	**¥2,426**	**¥685**	**¥38**			**¥92**		**¥3,241**		**¥3,241**

	Millions of Yen									
	2017									
	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial	Autoworks	Other	Total	Eliminations or Corporate	Consolidated
Loss on impairment of long-lived assets	¥765	¥322	¥178			¥19		¥1,284		¥1,284

	Thousands of U.S. Dollars									
	2018									
	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial	Autoworks	Other	Total	Eliminations or Corporate	Consolidated
Loss on impairment of long-lived assets	**$22,838**	**$6,450**	**$358**			**$861**		**$30,507**		**$30,507**

18. SUBSEQUENT EVENT

Appropriations of Retained Earnings

The following appropriation of retained earnings at March 31, 2018, was approved at the Company's Board of Directors meeting held on May 17, 2018:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥14.00 ($0.13) per share	**¥5,520**	**$51,957**