

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2016 <under Japanese GAAP>

Company name: Yamato Holdings Co., Ltd.
 Listing: Tokyo Stock Exchange
 Stock code: 9064
 URL: <http://www.yamato-hd.co.jp/>
 Representative: Masaki Yamauchi, President
 Contact: Kenichi Shibasaki, Managing Executive Officer, in charge of Financing and Accounting
 Tel: +81-3-3541-4141 (from overseas)

Scheduled date of the submission of quarterly securities report: November 12, 2015
 Scheduled date of the commencement of dividend payment: December 10, 2015
 Preparation of supplementary materials on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than 1 million yen are discarded.)

1. Consolidated financial results for the second quarter of fiscal year 2016 (cumulative: from April 1, 2015 to September 30, 2015)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the six months ended								
September 30, 2015	683,785	1.6	18,000	(15.4)	18,627	(16.6)	9,759	(19.7)
September 30, 2014	673,237	2.7	21,284	(8.8)	22,322	(6.6)	12,149	(1.8)

(Note) Comprehensive income: For the six months ended September 30, 2015: 7,964 million yen ((38.7) %)
 For the six months ended September 30, 2014: 12,989 million yen ((18.1)%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the six months ended		
September 30, 2015	23.71	23.48
September 30, 2014	28.99	28.26

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of			
September 30, 2015	1,035,394	556,753	53.2
March 31, 2015	1,082,531	571,199	52.2

(Reference) Equity: As of September 30, 2015: 550,892 million yen As of March 31, 2015: 565,521 million yen

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2015	—	12.00	—	13.00	25.00
Fiscal 2016	—	13.00	—	—	—
Fiscal 2016 (Forecast)	—	—	—	13.00	26.00

(Note) Revisions to the forecasts most recently announced: None

3. Consolidated earnings forecasts for fiscal year 2016 (from April 1, 2015 to March 31, 2016)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,415,000	1.3	69,000	0.1	70,000	(1.3)	41,000	9.2	99.77

(Note) Revisions to the forecasts most recently announced: Yes

* Notes

(1) Changes in significant subsidiaries during the six months under review (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Application of specific accounting for preparing the quarterly consolidated financial statements: Yes

(Note) For details, please see "2. Matters Regarding Summary Information (Notes), (1) Application of specific accounting for preparing the quarterly consolidated financial statements" of the attached materials to the quarterly financial results report on page 7.

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

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

(4) Number of issued shares (common shares)

- a. Number of issued shares as of the end of the period (including treasury shares)

As of September 30, 2015:	425,161,692 shares
As of March 31, 2015:	435,564,792 shares
- b. Number of treasury shares as of the end of the period

As of September 30, 2015:	17,264,375 shares
As of March 31, 2015:	22,370,985 shares
- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the six months ended September 30, 2015:	411,611,429 shares
For the six months ended September 30, 2014:	419,089,270 shares

*Indication regarding execution of quarterly review procedures

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

*Proper use of earnings forecasts and other noteworthy events

- Descriptions of the above financial projections and other data are based on information currently available to the Company and certain assumptions that we consider to be reasonable. Actual financial results may differ significantly from the projections for various reasons. For points to note when using such assumptions and financial projections, please see "1. Qualitative Information on Settlement of Accounts for the Six Months, (3) Qualitative information on consolidated earnings forecasts" of the attached materials to the quarterly financial results report on page 7.
- The Company plans to hold a financial results meeting for analysts on October 30, 2015. The materials distributed at this financial results meeting shall be posted on the Company's website after the meeting has been held.

Attached Materials

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1. Qualitative Information on Settlement of Accounts for the Six Months

(1) Qualitative information on consolidated operating results

During the six months ended September 30, 2015, the business environment overall was one marked by visible signs of recovery in the Japanese economy underpinned by strong corporate earnings, yet where the outlook remains uncertain amid adverse effects from the Chinese economic slowdown and other such factors. With personal consumption, although the adverse effect of the pull-back in demand following the consumption tax hike has subsided, buying behavior has remained stagnant due to factors including concerns of rising prices and adverse weather conditions. The Company 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 took steps to expand sales of our new “TA-Q-BIN Compact” and “Nekopos” services which were launched in April. Use of the new services has been steadily growing as a result of efforts beginning in the second quarter that include reaching out to mail-order business operators and our initiation of partnerships with multiple flea market websites. Overall, despite an increase in TA-Q-BIN delivery volume, growth achieved by Kuroneko DM-Bin and the new services failed to make up for the adverse impact of discontinuing the Kuroneko Mail service. Consequently, revenues remained flat year on year, while earnings decreased.

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 six months ended September 30, 2015 are as follows.

(Millions of yen)

Item	For the six months ended September 30, 2014	For the six months ended September 30, 2015	Change	Growth (%)
Operating revenue	673,237	683,785	10,548	1.6
Operating income	21,284	18,000	(3,283)	(15.4)
Ordinary income	22,322	18,627	(3,695)	(16.6)
Profit attributable to owners of parent	12,149	9,759	(2,390)	(19.7)

During the six months ended September 30, 2015, we purchased treasury shares of 7.28 million shares, for a total acquisition cost of about 20,000 million yen, and retired 10.40 million shares of treasury shares as measures for shareholder return, based on a resolution passed at the Board of Directors meeting on July 30, 2015.

Initiatives for the entire Yamato Group

- a. 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.
- b. To further promote our “Value Networking” design, we have been drawing on alliances with Group companies in promoting solution sales, and crafting business models that deliver a high level of added value by leveraging our 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.
- c. 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.

- d. 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 improved the services we offer both business operators and buyers, and helped generate further vitality in the market, through efforts that included teaming up with large mail-order websites and launching services that enable customers to pick up purchased items at TA-Q-BIN centers and convenience stores.
- e. For our corporate clients, we began marketing 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.
- f. 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.

Summary of each operating segment

● Delivery

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

(Million parcels / units)				
Category	For the six months ended September 30, 2014	For the six months ended September 30, 2015	Change	Growth (%)
TA-Q-BIN	787	821	33	4.3
Kuroneko DM-Bin	944	757	(187)	(19.9)

Results shown for Kuroneko DM-Bin in the six months ended September 30, 2014 are those of the Kuroneko Mail service.

- a. 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.
- b. We engaged in efforts to expand sales of the “TA-Q-BIN Compact” and “Nekopos” services. The two new services enable customers in the growing mail-order business a simple means of sending small parcels for reasonable fees. With “TA-Q-BIN Compact,” we took steps to promote use of the service by successively adding new points of service access at convenience stores and other such locations. With “Nekopos,” we engaged in aggressive efforts to increase sales by teaming up with multiple flea market websites and offering options that differentiate us from our competitors, including a service where customers receive e-mail notification at the time of delivery, and an “anonymous delivery” service for which we have initiated trial operations. 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.
- c. 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. Continuing on from the previous fiscal year, we took on initiatives for ensuring collection of adequate fees for the task of providing consistent quality with respect to deliveries.
- d. Efforts in our business geared toward revitalizing communities have involved various initiatives to address locally-based hardships and challenges. For instance, we are working in collaboration with municipalities and other entities in providing support with regard to helping those living in remote areas who face difficulties doing their shopping, and with regard to watching over elderly residents. Moreover, we have also been helping to bring about greater sales of local products by deploying a service that involves delivering such items to the Tokyo metropolitan area and other locations throughout Asia, in a speedy manner to ensure that such products retain their freshness.
- e. Operating revenue amounted to 533,514 million yen, approximately the same level as the year-ago period despite an increase in TA-Q-BIN delivery volume, given that growth achieved by Kuroneko DM-Bin and the

new services failed to make up for the decrease in revenue caused by discontinuing the Kuroneko Mail service. Operating income was 4,175 million yen, down 49.7% from the year-ago period.

● BIZ-Logistics

- a. In the BIZ-Logistics Business, the Yamato Group is providing customers with innovative logistics systems by combining management resources such as the TA-Q-BIN network with logistics functions, maintenance and recall handling functions, cleansing functions for medical devices and international transportation functions.
- b. 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. During the six months ended September 30, 2015, volume handled increased largely due to success at gaining new customers for our same-day delivery service.
- c. 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. During the six months ended September 30, 2015, revenues increased steadily due to factors that included our making headway in selling the “Kuroneko Extended Warranty Service” to large mail-order and consumer electronics business operators, landing business involving large-scale product recalls, and handling a greater volume of voluntary product recalls.
- d. 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 six months ended September 30, 2015, the segment achieved revenue growth amid a steadily increasing volume of business mainly from existing customers.
- e. Operating revenue amounted to 54,544 million yen, up 17.0% from the year-ago period due to favorable results ongoing from the first quarter generated from overseas relocation service and services related to medical devices, combined with other factors such as having landed new business involving large-scale product recalls. Operating income was 2,628 million yen, up 25.1% from the year-ago period.

● Home Convenience

- a. 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.
- b. 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 six months ended September 30, 2015, we engaged in aggressive sales activities by promoting our “e-commerce Total Support Service” and our “Comfortable Lifestyle Support Service,” the former of which entails collaborating with mail-order business operators in providing additional functions to our previous service offerings that include hauling away used furniture and appliances when making deliveries of new items and moving large furniture items, and the latter of which entails resolving everyday inconveniences associated with house cleaning and collection of unwanted items, and achieved greater rates of capacity utilization on weekdays.
- c. 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. During the six months ended September 30, 2015, client use of our services in this segment increased steadily given a strong showing from our office-related services combined with new business captured for our Technical Network Business.
- d. Operating revenue amounted to 23,312 million yen, down 1.1% from the year-ago period due to lackluster results with respect to volume of long-distance transport for individual customers handled, and despite having made progress in gaining new business in office-related services and other offerings. As for profits, operating income amounted to 154 million yen, an improvement of 538 million yen from the year-ago period as a result of gains in rates of capacity utilization on weekdays due to aggressive marketing of service offerings such as the “Comfortable Lifestyle Support Service.”

● e-Business

- a. 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.
- b. 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 six months ended September 30, 2015, use of this service increased particularly among our existing large-lot customers, against a backdrop that included mail-order market growth.
- c. For customers whose needs involve managing products on an individual basis, the Yamato Group has been developing setup support services whereby tasks of affixing data to products and partial processing of merchandise are aligned with information system functions such as serial acceptance/dispatch control in warehouses and inventory tracking. In the six months ended September 30, 2015, these services attracted favorable volumes of use primarily among our customers who are new entrants in the telecommunications equipment business.
- d. 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. In the six months ended September 30, 2015, the e-money settlement system geared toward the amusement industry achieved favorable sales.
- e. Operating revenue amounted to 20,932 million yen, up 4.9% from the year-ago period mainly due to growth in setup support services for telecommunications equipment business operators. Operating income was 3,871 million yen, up 11.1% from the year-ago period mainly due to efforts for controlling system development costs.

● Financial

- a. In the Financial Business, the Yamato Group has been developing settlement and financial services tailored to a range of customer needs for payment collection on mail-order product deliveries, B2B transaction settlement, and vehicle leasing.
- b. 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 six months ended September 30, 2015, we engaged in efforts to increase profitability by promoting our “Kuroneko Web Collect” and “Kuroneko Pay After Delivery” services to our customers who use only the “TA-Q-BIN Collect” service. Moreover, with respect to our services related to e-money, the use of our “Multi e-money Settlement Terminal” rental services at large events and other activities increased steadily.
- c. In the lease services business, we achieved revenue growth by promoting proposals for total solutions related to the Group’s network and vehicles. This includes operating leases that enable customers to cut costs by providing them with new vehicles premised on the condition of vehicle purchase or re-use after lease expiration, and leases of previously-owned cars linked with such purchase or re-use.
- d. Operating revenue amounted to 34,781 million yen, up 9.0% from the year-ago period due to increased use of our payment settlement for operators of mail-order businesses and e-money related services, and also due to other factors such as an increase in contracts for truck leases in the lease services business. As for profits, operating income was 4,221 million yen, down 3.4% from the year-ago period largely due to lackluster results with respect to volume handled through our mainstay TA-Q-BIN Collect service.

● Autoworks

- a. 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 “insurance agency services where we offer risk management-related insurance plans tailored to customer needs.”

- b. In the six months ended September 30, 2015, we developed new operating locations and took other steps to enhance the quality of services provided to our customers, and also aggressively marketed our “Repairworks” services entailing periodic on-site customer visits.
- c. Operating revenue amounted to 12,785 million yen, down 11.0% from the year-ago period mainly due to lower unit price of fuel. Operating income was 2,030 million yen, up 0.4% from the year-ago period.

● Other

- a. 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 six months ended September 30, 2015, use of the service steadily increased partially as a result of our initiatives to develop information systems and improve service quality, and also due to favorable results from existing service offerings.
- b. Operating income in Other excluding dividends which Yamato Holdings Co., Ltd. received from the Group companies increased 258.1% from the year-ago period to 962 million yen.

CSR Initiatives

- a. The Yamato Group places utmost priority on protecting human life and conducts a range of safety measures. In the six months ended September 30, 2015, the Group promoted various initiatives geared toward achieving greater safety awareness among employees, with such efforts including our “Zero Accident Campaign” which is a safety campaign deployed horizontally throughout the entire group including our TA-Q-BIN operators overseas. 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 2.72 million people have now participated.
- b. The Yamato Group has established the “Environmental Conservation Declaration” on the basis of the Group corporate philosophy, and moreover works to ensure that our distribution mechanisms are environmentally sound. At the same time, the Yamato Group works to promote environmental conservation initiatives, which we pursue under our policy of “Nekology” (combining “Kuroneko” with “ecology”), and continue to heighten employee awareness of such issues. 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.
- c. 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.
- d. 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 six months ended September 30, 2015, we started “combined passenger-cargo” operations involving use of scheduled-route passenger buses to transport TA-Q-BIN items within certain zones in localities with substantially declining populations. This is beneficial in terms of reducing CO₂ emissions and enabling bus companies to maintain existing routes, while also contributing to improvements in lifestyle services for residents of local communities. 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 providing assistance to people living in remote areas who face difficulties doing their shopping and lending support for community revitalization efforts. We have worked with government bodies on 1,304 endeavors in that regard thus far.

(2) Qualitative information on consolidated financial position

(Assets, liabilities and net assets)

Total assets were 1,035,394 million yen as of September 30, 2015, down 47,136 million yen from the end of the previous fiscal year. The major factor in this was a decrease of 47,587 million yen in cash and deposits.

Liabilities decreased 32,690 million yen to 478,641 million yen from the end of the previous fiscal year. The major factors in this were decreases in notes and accounts payable - trade of 24,914 million yen and accrued consumption taxes of 23,295 million yen while loans payable increased 16,281 million yen.

Total net assets were 556,753 million yen, down 14,446 million yen from the end of the previous fiscal year.

This was mainly attributable to the recording of profit attributable to owners of parent of 9,759 million yen and payment of dividends of surplus of 5,371 million yen, as well as purchase of treasury shares amounting to 20,003 million yen.

Accordingly, the equity ratio changed to 53.2% from the previous fiscal year's 52.2%.

(Cash flows)

Net cash used in operating activities for the six months ended September 30, 2015 amounted to 14,330 million yen. Compared with the year-ago period, the amount of net cash provided decreased by 32,799 million yen.

The major factor was an increase in net decrease in accrued consumption taxes of 36,829 million yen.

Net cash used in investing activities was 23,085 million yen. Compared with the year-ago period, the amount of net cash used decreased by 6,707 million yen. This is largely attributable to expenditures of 17,409 million yen used for the purchase of property, plant and equipment, which is a decrease of 10,852 million yen compared with the year-ago period.

Net cash used in financing activities was 11,862 million yen. Compared with the year-ago period, the amount of net cash provided decreased by 15,954 million yen. This is largely attributable to purchase of treasury shares of 20,005 million yen.

As a result of the above, cash and cash equivalents were 197,875 million yen as of September 30, 2015, down 49,175 million yen from the end of the previous fiscal year.

(3) Qualitative information on consolidated earnings forecasts

Looking ahead at the economy, we expect business conditions in Japan to remain on a path of gradual recovery underpinned by strong corporate earnings. However, the outlook remains uncertain amid concerns regarding the prospect of an economic downturn in overseas markets.

In this environment, the Yamato Group will pursue efforts in the Delivery Business to engage in proposal-based sales that deliver substantial added value from the perspective of our customers, and will aggressively forge ahead with initiatives to expand sales of the "TA-Q-BIN Compact," "Nekopos" and "Kuroneko DM-Bin" services. Moreover, we will continue taking steps to ensure collection of adequate fees for the task of providing consistent quality with respect to deliveries. In the non-delivery businesses, we will expand the revenue base through efforts to create and develop a business model for generating a high level of added value by leveraging the Group's business resources.

On the cost front, we will continue our efforts geared toward keeping costs in line with operating volumes, and improving productivity.

The Yamato Group has made changes to the consolidated earnings forecasts for the full year of the fiscal year ending March 31, 2016 since the announcement made on April 30, 2015.

2. Matters Regarding Summary Information (Notes)

(1) Application of specific accounting for preparing the quarterly consolidated financial statements

Calculation of tax expenses

Tax expenses are calculated by multiplying the income before income taxes by the reasonably estimated effective tax rates after the application of tax effect accounting to the income before income taxes for the fiscal year including the second quarter under review.

(2) Additional information

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. To reflect these changes, the Company has restated its quarterly and full-year consolidated financial statements for the first six months of the previous fiscal year and the previous fiscal year.

3. Consolidated Financial Statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	247,398	199,810
Notes and accounts receivable - trade	187,833	182,003
Accounts receivable - installment	42,007	43,047
Lease investment assets	44,948	47,894
Merchandise and finished goods	721	706
Work in process	512	259
Raw materials and supplies	2,101	1,914
Other	42,020	43,631
Allowance for doubtful accounts	(1,338)	(1,021)
Total current assets	566,205	518,246
Non-current assets		
Property, plant and equipment		
Buildings and structures	334,119	332,836
Accumulated depreciation	(185,622)	(187,612)
Buildings and structures, net	148,497	145,223
Vehicles	194,198	197,633
Accumulated depreciation	(176,205)	(176,871)
Vehicles, net	17,992	20,761
Land	187,964	187,965
Lease assets	24,028	16,063
Accumulated depreciation	(17,181)	(7,610)
Lease assets, net	6,846	8,452
Other	156,845	160,408
Accumulated depreciation	(98,045)	(101,714)
Other, net	58,800	58,694
Total property, plant and equipment	420,101	421,097
Intangible assets	17,600	19,376
Investments and other assets		
Investment securities	34,567	32,997
Other	45,173	44,614
Allowance for doubtful accounts	(1,116)	(938)
Total investments and other assets	78,624	76,673
Total non-current assets	516,325	517,147
Total assets	1,082,531	1,035,394

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	157,479	132,565
Short-term loans payable	34,443	48,852
Current portion of bonds with subscription rights to shares	9,660	5,980
Lease obligations	2,733	2,575
Income taxes payable	20,024	11,059
Deferred installment income	5,655	5,794
Provision for bonuses	30,236	36,613
Other	96,800	77,350
Total current liabilities	357,034	320,790
Non-current liabilities		
Long-term loans payable	83,876	85,748
Lease obligations	4,655	5,118
Net defined benefit liability	53,023	54,350
Other	12,742	12,633
Total non-current liabilities	154,297	157,851
Total liabilities	511,331	478,641
Net assets		
Shareholders' equity		
Capital stock	127,234	127,234
Capital surplus	70,209	47,506
Retained earnings	395,352	399,828
Treasury shares	(43,007)	(37,472)
Total shareholders' equity	549,789	537,097
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,847	11,716
Foreign currency translation adjustment	1,169	1,095
Remeasurements of defined benefit plans	715	982
Total accumulated other comprehensive income	15,731	13,794
Non-controlling interests	5,678	5,860
Total net assets	571,199	556,753
Total liabilities and net assets	1,082,531	1,035,394

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

(Millions of yen)

	For the six months ended September 30, 2014	For the six months ended September 30, 2015
Operating revenue	673,237	683,785
Operating cost	633,922	645,448
Operating gross profit	39,315	38,337
Selling, general and administrative expenses	18,031	20,336
Operating income	21,284	18,000
Non-operating income		
Interest income	44	54
Dividend income	387	432
Other	1,003	676
Total non-operating income	1,435	1,163
Non-operating expenses		
Interest expenses	167	251
Foreign exchange losses	—	113
Other	229	172
Total non-operating expenses	397	537
Ordinary income	22,322	18,627
Extraordinary income		
Gain on sales of non-current assets	407	32
Gain on sales of investment securities	—	22
Compensation for damage received	257	—
Total extraordinary income	664	54
Extraordinary loss		
Loss on retirement of non-current assets	89	89
Loss on litigation	598	—
Other	—	0
Total extraordinary loss	687	89
Income before income taxes and minority interests	22,299	18,592
Income taxes	10,129	8,707
Profit	12,169	9,884
Profit attributable to non-controlling interests	20	125
Profit attributable to owners of parent	12,149	9,759

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	For the six months ended September 30, 2014	For the six months ended September 30, 2015
Profit	12,169	9,884
Other comprehensive income		
Valuation difference on available-for-sale securities	1,324	(2,114)
Foreign currency translation adjustment	(633)	(73)
Remeasurements of defined benefit plans, net of tax	128	266
Total other comprehensive income	819	(1,920)
Comprehensive income	12,989	7,964
(Breakdown)		
Comprehensive income attributable to owners of parent	12,810	7,822
Comprehensive income attributable to non-controlling interests	178	142

(3) Consolidated statement of cash flows

(Millions of yen)

	For the six months ended September 30, 2014	For the six months ended September 30, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	22,299	18,592
Depreciation	21,183	21,675
Increase (decrease) in net defined benefit liability	1,653	1,326
Increase (decrease) in provision for bonuses	6,304	6,371
Decrease (increase) in notes and accounts receivable - trade	3,117	2,033
Increase (decrease) in notes and accounts payable - trade	(31,154)	(25,079)
Other, net	13,965	(20,158)
Subtotal	37,369	4,761
Interest and dividend income received	452	479
Interest expenses paid	(325)	(399)
Income taxes paid	(19,026)	(19,171)
Net cash provided by (used in) operating activities	18,469	(14,330)
Cash flows from investing activities		
Purchase of property, plant and equipment	(28,261)	(17,409)
Proceeds from sales of property, plant and equipment	1,296	746
Purchase of investment securities	(356)	(775)
Proceeds from sales of investment securities	—	28
Payments of loans receivable	(707)	(545)
Collection of loans receivable	769	548
Other payments	(3,691)	(7,425)
Other proceeds	1,158	1,747
Net cash provided by (used in) investing activities	(29,793)	(23,085)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	4,000	4,187
Repayments of finance lease obligations	(2,555)	(1,708)
Proceeds from long-term loans payable	16,500	16,671
Repayment of long-term loans payable	(8,073)	(4,764)
Purchase of treasury shares	(3)	(20,005)
Cash dividends paid	(5,028)	(5,372)
Other, net	(747)	(870)
Net cash provided by (used in) financing activities	4,091	(11,862)
Effect of exchange rate change on cash and cash equivalents	(320)	(110)
Net increase (decrease) in cash and cash equivalents	(7,553)	(49,388)
Cash and cash equivalents at beginning of period	219,395	247,051
Increase in cash and cash equivalents from newly consolidated subsidiary	—	213
Cash and cash equivalents at end of period	211,842	197,875

(4) Notes to consolidated financial statements
(Notes to premise of going concern)
 Not applicable.

(Segment information, etc.)
 [Segment information]

Information regarding the amounts of operating revenue and income or loss by reportable segment
 For the six months ended September 30, 2014

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Operating revenue					
(1) Operating revenue from customers	533,575	46,612	23,582	19,957	31,923
(2) Inter-segment operating revenue or transfers	30,600	5,788	7,527	14,021	1,651
Total	564,175	52,401	31,109	33,979	33,575
Segment income (loss)	8,294	2,101	(384)	3,485	4,372

	Autoworks	Other (Notes 1, 2)	Total	Reconciliation (Note 3)	Amount recorded in consolidated statement of income (Note 4)
Operating revenue					
(1) Operating revenue from customers	14,364	3,222	673,237	—	673,237
(2) Inter-segment operating revenue or transfers	14,571	33,964	108,126	(108,126)	—
Total	28,935	37,187	781,363	(108,126)	673,237
Segment income (loss)	2,022	22,656	42,548	(21,264)	21,284

- Notes: 1. Other includes business-to-business distribution via JITBOX Charter and shared services.
 2. Operating revenue in Other includes dividends which the Company received from the Group companies as a pure holding company and the effect of this on operating revenue and segment income is 22,100 million yen.
 3. The adjustment of segment income resulted from eliminating transactions among segments, etc.
 4. We made an adjustment between segment income and operating income in the consolidated statement of income.

For the six months ended September 30, 2015

(Millions of yen)

	Delivery (Note 1)	BIZ-Logistics	Home Convenience	e-Business	Financial
Operating revenue					
(1) Operating revenue from customers	533,514	54,544	23,312	20,932	34,781
(2) Inter-segment operating revenue or transfers	32,409	6,077	7,936	14,524	1,690
Total	565,924	60,622	31,249	35,456	36,472
Segment income	4,175	2,628	154	3,871	4,221

	Autoworks	Other (Notes 1, 2, 3)	Total	Reconciliation (Note 4)	Amount recorded in consolidated statement of income (Note 5)
Operating revenue					
(1) Operating revenue from customers	12,785	3,914	683,785	—	683,785
(2) Inter-segment operating revenue or transfers	14,053	37,371	114,063	(114,063)	—
Total	26,838	41,286	797,849	(114,063)	683,785
Segment income	2,030	25,619	42,701	(24,701)	18,000

- Notes: 1. Effective from the first quarter of the fiscal year ending March 31, 2016, the Company has made changes to business segment classifications to ensure that such classifications more adequately accord with actual circumstances related to management and administration. These changes mainly involve inclusion of the human resources management business in the Delivery Business segment, from the Other segment previously. The segment information for the six months ended September 30, 2014 has been prepared and presented according to the new classification.
2. Other includes business-to-business distribution via JITBOX Charter and shared services.
3. Operating revenue in Other includes dividends which the Company received from the Group companies as a pure holding company and the effect of this on operating revenue and segment income is 24,889 million yen.
4. The adjustment of segment income resulted from eliminating transactions among segments, etc.
5. We made an adjustment between segment income and operating income in the consolidated statement of income.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

4. Supplementary Information

Operating revenue by business

Business segment		For the six months ended September 30, 2014		For the six months ended September 30, 2015		Change (%)	Fiscal year ended March 31, 2015	
		Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)		Amount (Millions of yen)	Ratio (%)
Delivery	TA-Q-BIN	467,888	69.5	481,944	70.5	3.0	969,923	69.4
	Kuroneko DM-Bin *1	58,166	8.6	43,735	6.4	(24.8)	116,619	8.4
	Express	21,311	3.2	20,881	3.0	(2.0)	42,918	3.1
	Others *2	41,398	6.2	44,879	6.6	8.4	87,619	6.3
	Eliminations	(55,189)	(8.2)	(57,926)	(8.5)	5.0	(113,891)	(8.2)
	Total	533,575	79.3	533,514	78.0	(0.0)	1,103,188	79.0
BIZ-Logistics	Trading logistics service	18,491	2.8	19,807	2.9	7.1	43,215	3.1
	Sales and Logistics	16,444	2.4	17,403	2.5	5.8	34,767	2.5
	Multi maintenance	6,986	1.0	7,914	1.2	13.3	15,689	1.1
	Export Factory	2,032	0.3	2,145	0.3	5.6	4,185	0.3
	Others	18,664	2.8	21,841	3.2	17.0	39,416	2.8
	Eliminations	(16,006)	(2.4)	(14,568)	(2.1)	(9.0)	(33,453)	(2.4)
	Total	46,612	6.9	54,544	8.0	17.0	103,821	7.4
Home Convenience	Home convenience	20,674	3.1	20,484	3.0	(0.9)	41,561	3.0
	Business convenience	8,129	1.2	8,557	1.3	5.3	16,665	1.2
	Technical Network	2,319	0.3	2,220	0.3	(4.3)	4,817	0.3
	Eliminations	(7,540)	(1.1)	(7,949)	(1.2)	5.4	(14,568)	(1.0)
	Total	23,582	3.5	23,312	3.4	(1.1)	48,475	3.5
e-Business	e-logistics solution *2	4,699	0.7	4,899	0.7	4.3	9,829	0.7
	Credit card solution	4,050	0.6	4,663	0.7	15.2	8,087	0.6
	IT operating solution	3,294	0.5	3,028	0.4	(8.1)	6,253	0.4
	Web-based mail order solution	3,032	0.5	2,797	0.4	(7.7)	6,074	0.4
	Others *2	20,322	3.0	22,415	3.3	10.3	41,500	3.0
	Eliminations	(15,441)	(2.3)	(16,872)	(2.5)	9.3	(31,258)	(2.2)
	Total	19,957	3.0	20,932	3.0	4.9	40,486	2.9
Financial	TA-Q-BIN Collect	18,027	2.7	18,037	2.6	0.1	37,549	2.7
	Lease	12,839	1.9	15,459	2.3	20.4	27,065	1.9
	Credit & Finance	1,698	0.2	1,747	0.3	2.9	3,354	0.2
	Others	1,048	0.2	1,269	0.2	21.0	2,160	0.2
	Eliminations	(1,690)	(0.3)	(1,732)	(0.3)	2.5	(3,481)	(0.2)
	Total	31,923	4.7	34,781	5.1	9.0	66,649	4.8
Autoworks	Truck solution *3	26,534	3.9	24,346	3.6	(8.2)	51,122	3.6
	Others	3,576	0.5	3,663	0.5	2.4	7,070	0.5
	Eliminations	(15,746)	(2.3)	(15,225)	(2.2)	(3.3)	(31,039)	(2.2)
	Total	14,364	2.1	12,785	1.9	(11.0)	27,153	1.9
Other	JITBOX Charter service	2,707	0.4	3,515	0.5	29.8	6,035	0.4
	Others *2	35,251	5.2	38,970	5.7	10.5	48,268	3.5
	Eliminations	(34,736)	(5.1)	(38,571)	(5.6)	11.0	(47,369)	(3.4)
	Total	3,222	0.5	3,914	0.6	21.5	6,933	0.5
	Total	673,237	100.0	683,785	100.0	1.6	1,396,708	100.0

*1. Results shown for Kuroneko DM-Bin in the six months ended September 30, 2014 and the fiscal year ended March 31, 2015 are those of the Kuroneko Mail service for those periods.

*2. Effective from the first quarter of the fiscal year ending March 31, 2016, the Company has made changes to business segment classifications as shown below to ensure that such classifications more adequately accord with actual circumstances related to management and administration. The figures presented for the six months ended September 30, 2014, and for the fiscal year ended March 31, 2015, have been restated in accordance with these changes.

- The human resources management business, previously included in the Other segment, is now presented in the Others category of the Delivery segment.
- The setup and logistics solutions business, previously included in the e-logistics solutions category of the e-Business segment, is now presented in the Others category.

*3. Effective from the first quarter of the fiscal year ending March 31, 2016, the name of the Truck maintenance category in the Autoworks segment has been changed to the Truck solution.