

## Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2017 <under Japanese GAAP>

Company name: Yamato Holdings Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Stock code: 9064  
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Scheduled date of the submission of quarterly securities report: August 10, 2016  
 Scheduled date of the commencement of dividend payment: —  
 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 first quarter of fiscal year 2017 (cumulative: from April 1, 2016 to June 30, 2016)

#### (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 three months ended June 30, 2016	341,876	3.9	7,433	80.0	7,666	60.7	3,661	91.8
June 30, 2015	328,932	1.5	4,130	(16.3)	4,770	(11.2)	1,908	(14.9)

(Note) Comprehensive income: For the three months ended June 30, 2016: 3,228 million yen (55.0%)  
 For the three months ended June 30, 2015: 2,083 million yen ((19.5%))

	Basic earnings per share	Diluted earnings per share
For the three months ended June 30, 2016	Yen 9.19	Yen —
June 30, 2015	4.61	4.57

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of June 30, 2016	Millions of yen 1,098,404	Millions of yen 541,052	48.7
March 31, 2016	1,089,436	543,855	49.4

(Reference) Equity: As of June 30, 2016: 534,988 million yen As of March 31, 2016: 537,821 million yen

### 2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2016	—	13.00	—	15.00	28.00
Fiscal 2017	—	—	—	—	—
Fiscal 2017 (Forecast)	—	13.00	—	14.00	27.00

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

Breakdown of year-end dividends in fiscal year ended March 31, 2016: Ordinary dividends: 13.00 yen  
 Commemorative dividends: 2.00 yen

### 3. Consolidated earnings forecasts for fiscal year 2017 (from April 1, 2016 to March 31, 2017)

(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
Half year	710,000	3.8	21,000	16.7	21,000	12.7	11,500	17.8	28.86
Full year	1,460,000	3.1	65,000	(5.2)	65,500	(5.7)	39,000	(1.1)	97.86

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

#### \* Notes

(1) Changes in significant subsidiaries during the three 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), (2) 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.: Yes
- b. Changes other than a: None
- c. Changes in accounting estimates: None
- d. Restatement: None

(Note) For details, please see "2. Matters Regarding Summary Information (Notes), (3) Changes in accounting policies, changes in accounting estimates, and restatement" of the attached materials to the quarterly financial results report on page 7.

(4) Number of issued shares (common shares)

- a. Number of issued shares as of the end of the period (including treasury shares)
  - As of June 30, 2016: 411,339,992 shares
  - As of March 31, 2016: 411,339,992 shares
- b. Number of treasury shares as of the end of the period
  - As of June 30, 2016: 12,823,603 shares
  - As of March 31, 2016: 12,823,544 shares
- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)
  - For the three months ended June 30, 2016: 398,516,406 shares
  - For the three months ended June 30, 2015: 413,757,509 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 Three 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 post supplementary materials on quarterly financial results on the Company's website promptly after the announcement of the quarterly financial results.

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## 1. Qualitative Information on Settlement of Accounts for the Three Months

### (1) Qualitative information on consolidated operating results

During the three months ended June 30, 2016, despite underlying strengths in corporate earnings, the economic environment was marked by an outlook of uncertainty with respect to business sentiment and personal consumption against a backdrop of adverse factors that included slowing overseas economies, an appreciating yen and share price volatility. 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.

The Delivery Business generated firm revenues amid increasing delivery volume resulting from efforts geared to adding points of service access for the “TA-Q-BIN Compact” and “Nekopos” services, along with steps taken to increase sales to mail-order business operators.

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 three months ended June 30, 2016 are as follows.

Item	(Millions of yen)			
	For the three months ended June 30, 2015	For the three months ended June 30, 2016	Change	Growth (%)
Operating revenue	328,932	341,876	12,944	3.9
Operating income	4,130	7,433	3,302	80.0
Ordinary income	4,770	7,666	2,896	60.7
Profit attributable to owners of parent	1,908	3,661	1,753	91.8

### 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 crafting business models that deliver a high level of added value by leveraging the Yamato Group’s business network. Also, to address varied customer needs in Japan and overseas, we have been making more effective use of our innovative network platform consisting of the “Haneda Chronogate,” “Atsugi Gateway” and “Okinawa International Logistics Hub” facilities, in addition to our existing “last mile” network.
- 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. In our business looking toward overseas markets, we have been working to forge inter-regional collaboration while strengthening our capabilities in respective geographic regions in order to invigorate our cross-border transportation services involving shipping between five points in Japan, East Asia, Europe and the Americas, with a focus on the ASEAN region. Moreover, we have been building a parcel delivery network that provides high added value, by taking steps to expand our small-lot cold chain services in international logistics.

- e. With the aim of improving customer convenience particularly in the mail order market, we have been working to establish an environment ensures customers greater ease in picking up their parcels. Among our efforts to that end, we have established “Packcity Japan Co., Ltd.” as a joint venture that sets up and operates an open-type infrastructure of parcel lockers, in conjunction with a major French manufacturer of postal service-related equipment.
- 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.

Category	(Million parcels / units)			
	For the three months ended June 30, 2015	For the three months ended June 30, 2016	Change	Growth (%)
TA-Q-BIN	389	429	39	10.0
Kuroneko DM-Bin	393	388	(4)	(1.3)

- 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. Given expectations for growth in the mail order market, we have been taking steps to expand sales of the “TA-Q-BIN Compact” and “Nekopos” services which enable customers to send small parcels simply at reasonable fees, and otherwise engaging in efforts to provide greater convenience to our customers who use such services by strengthening alliances with multiple flea market websites and offering delivery services at a greater number of service access points. We have also been strengthening our alliance with a major communications application provider and otherwise expanding our range of services that facilitate ease of use through means such as advanced notice of scheduled delivery times and parcel inquiry services.
- c. With respect to corporate clients, we have been accurately pinpointing managerial challenges and actively proposing solutions to address those challenges. Moreover, we worked to boost profitability by making proposals that provide high added value using the Group’s business resources.
- d. In our business geared toward revitalizing communities, we have been taking steps to improve services for residents by collaborating with numerous municipalities and companies in efforts to provide support with regard to helping those who face difficulties doing their shopping and watching over elderly residents. Moreover, we have also been helping to revitalize local industry through initiatives that include lending support for enabling communities to achieve higher sales of locally produced products by offering swift delivery to Asia of perishable goods and other agricultural products in a manner that ensures they stay fresh.
- e. Operating revenue amounted to 265,628 million yen, up 4.2% from the year ago period due to an increase in delivery volume resulting from initiatives pursued to increase points of access to the “TA-Q-BIN Compact” and “Nekopos” services, steps taken to increase sales to mail-order business operators, and other such efforts. Operating income was 213 million yen, an improvement of 2,902 million yen 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 three months ended June 30, 2016, these operations generated favorable results due to factors that included an increased volume of business-to-business logistics related services launched in the previous fiscal year.

- c. 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 three months ended June 30, 2016, these operations generated firm revenues due to an increasing use of business mainly from existing customers.
- d. With respect to services for international logistics, we have been providing support to business operators who are expanding their operations on a global scale. For instance, we have launched services that involve speedy delivery of Japanese merchandise to customers overseas, in collaboration with a major e-commerce shopping mall overseas.
- e. Operating revenue amounted to 26,171 million yen, up 1.1% from the year-ago period. The increase is largely attributable to favorable results from business-to-business logistics related services, despite lackluster results from product maintenance and recall services due to repercussions of the previous fiscal year. As for profits, operating income amounted to 1,195 million yen, down 2.2% from the year-ago period mainly due to a drop in brisk demand for overseas transport services in the previous fiscal year.

- **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 three months ended June 30, 2016, services in this area gained more widespread use as we aggressively forged ahead with efforts to increase the sales of "Comfortable Lifestyle Support Service," which aims to help customers resolve everyday inconveniences associated with house cleaning, home organization and storage, and collection of unwanted items.
- c. For our corporate clients, we have been developing our business support services including "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. During the three months ended June 30, 2016, we actively worked to increase sales involving services for facilitating procurement of direct-to-consumer food items and other such goods, and office support services.
- d. Operating revenue amounted to 12,377 million yen, up 2.0% from the year-ago period mainly due to favorable results with respect to use of our Comfortable Lifestyle Support Service. Operating income was 54 million yen, an improvement of 119 million yen from the year-ago period largely as a result of initiatives to heighten rates of capacity utilization on weekdays.

- **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. In addition, with the aim of helping to accelerate growth of Yamato Group businesses, we have been moving beyond conventional information technologies through efforts geared to promoting use of emerging technologies that harness artificial intelligence (AI), the Internet of things (IoT) and other such innovations.
- 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 three months ended June 30, 2016, 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, such as telecommunications equipment business operators, the Yamato Group has been developing its "setup and logistics solutions business" which offers services that involve bringing tasks of affixing data to products and partial processing of merchandise into alignment with information system functions such as serial acceptance/dispatch control in warehouses and inventory tracking. During the three months ended June 30, 2016, these services attracted steady volumes of use among our customers who are expanding their telecommunications equipment business operations.

- d. Operating revenue amounted to 10,858 million yen, up 5.1% from the year-ago period mainly as a result of having achieved a greater volume of business in the “setup and logistics solutions business.” Operating income was 1,973 million yen, up 13.4% from the year-ago period.

#### ● 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 of mail-order products, 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. During the three months ended June 30, 2016, we provided a wide range of payment settlement services to our customers who use the “TA-Q-BIN Collect” service by promoting use of our “Kuroneko Web Collect” and “Kuroneko Pay After Delivery” services, and concurrently worked to increase profitability. With our e-money related services, we persisted in our efforts to increase sales generated by our “Multi e-money Settlement Terminals” rental service.
- c. In the lease services business, we have been forging ahead in making proposals involving total solutions related to the Group’s network and vehicles. This includes financial leases primarily involving trucks, as well as operating leases linked with purchases upon lease expiration or re-use of such vehicles.
- d. Operating revenue amounted to 18,626 million yen, up 7.4% from the year-ago period due to steady results of lease services business. As for profits, operating income was 1,908 million yen, down 13.6% from the year-ago period largely due to lackluster results with respect to volume handled through our mainstay TA-Q-BIN Collect service and an increase in provision of allowance for doubtful accounts.

#### ● 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 in the form of “improvement of vehicle maintenance convenience” and “reduced maintenance expenses.” Furthermore, to better provide one-stop service solutions geared toward customer business operations, we have added services for “maintaining and safeguarding logistics facilities and equipment, and improving such workplace environments,” along with “offering insurance plans tailored to customer risk management needs” which provide coverage for such assets.
- b. In the three months ended June 30, 2016, we took steps to expand sales by aggressively marketing out “Repairworks” services entailing periodic on-site customer visits.
- c. Operating revenue amounted to 6,087 million yen, down 5.3% from the year-ago period mainly due to effects of lower unit price of fuel. Operating income was 1,071 million yen, down 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 three months ended June 30, 2016, use of the service steadily increased 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 10.8% from the year-ago period to 480 million yen.

#### CSR Initiatives

- a. The Yamato Group places utmost priority on protecting human life and conducts a range of safety measures. In the three months ended June 30, 2016, we carried out our “Zero Accident Campaign,” which was deployed throughout the entire Group including our TA-Q-BIN operators overseas, and engaged in efforts to heighten safety awareness on a Group-wide basis. In addition, since 1998 we have been holding

our “Safety Classes for Children,” through which we convey the importance of traffic safety, in day care facilities, kindergartens and elementary schools across Japan. A total of more than 2.89 million people have now participated.

- b. The Yamato Group works to ensure that its distribution mechanisms are environmentally sound, under its policy of “Nekology” (combining “Kuroneko” with “ecology”) for promoting its environmental conservation initiatives. In the three months ended June 30, 2016, we received the “Logistics Environment Conservation Activity Award” at the “17th Logistics Environment Award” in recognition of our efforts for “combined passenger-cargo” operations where we make use of scheduled-route passenger buses to transport TA-Q-BIN items within certain zones. 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).” During the three months ended June 30, 2016, we provided support for helping to develop communities so that local residents are able to lead comfortable lives. For instance, working in conjunction with government bodies and corporations, we have been providing lifestyle support services to residents of housing complexes which are undergoing changes with respect to people’s life stages, with such services including collective delivery which entails consolidating parcels of respective parcel delivery companies into our deliveries and shopping on behalf of the residents. Moreover, we continued to engage in efforts geared to extending a diverse range of services leveraging the business resources of the Yamato Group, such as by helping to watch over elderly residents and lending support for community revitalization efforts. As a result, we have worked with government bodies on 1,770 such endeavors thus far.



**(2) Qualitative information on consolidated financial position**

Total assets were 1,098,404 million yen as of June 30, 2016, up 8,967 million yen from the end of the previous fiscal year. The major factor in this was an increase of 15,011 million yen in investment securities. Liabilities increased 11,770 million yen to 557,351 million yen from the end of the previous fiscal year. The increase was largely attributable to a 45,583 million yen increase in accrued expenses upon having recognized scheduled payments of summer bonuses, but was offset by a 17,777 million yen decrease in provision for bonuses and a 14,560 million yen decrease in income taxes payable due to the payment of income taxes. Total net assets were 541,052 million yen, down 2,802 million yen from the end of the previous fiscal year. This was mainly attributable to a decrease in retained earnings of 2,316 million yen due to the recording of profit attributable to owners of parent of 3,661 million yen and payment of dividends of surplus of 5,977 million yen.

Accordingly, the equity ratio changed to 48.7% from the previous fiscal year's 49.4%.

**(3) Qualitative information on consolidated earnings forecasts**

Looking ahead at the economy, despite expecting a gradual recovery trend, we also anticipate ongoing uncertainties with respect to the economic outlook overseas and a tightening labor market. In this environment, the Yamato Group will continue efforts in the Delivery Business to heighten profitability, largely by continuing to provide highly convenient services and working to maintain and improve quality, while also promoting proposals to solve customer challenges. Moreover, we aim to achieve further market penetration with our "TA-Q-BIN Compact" and "Nekopos" services by forging ahead with efforts that include increasing points of service access and extending sales to mail-order business operators. 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 push forward with 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 half year and for the full year of the fiscal year ending March 31, 2017 since the announcement made on April 28, 2016.

## **2. Matters Regarding Summary Information (Notes)**

**(1) Changes in scope of consolidation and equity method application**

Material changes in scope of equity method application

Effective from the first quarter under review, the scope of consolidation encompasses GD Express Carrier Bhd. and Packcity Japan Co., Ltd. upon having newly acquired stock of those two entities, and also encompasses 11 subsidiaries of GD Express Carrier Bhd.

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

Calculation of tax expenses

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

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

Changes in accounting policies

(Application of Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016)

Following the revision to the Corporation Tax Act, the Company has applied the "Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016" (ASBJ PITF No. 32, June 17, 2016) from the first quarter ended June 30, 2016, and changed the depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method.

In addition, the effect of this application on operating income, ordinary income, and profit before income taxes for the three months ended June 30, 2016 is immaterial.

**(4) Additional information**

(Application of ASBJ Guidance on Recoverability of Deferred Tax Assets)

Effective from the first quarter ended June 30, 2016, the Company has applied the Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26, March 28, 2016).

### 3. Consolidated Financial Statements

#### (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	249,593	233,793
Notes and accounts receivable - trade	197,382	195,173
Accounts receivable - installment	43,647	45,677
Lease investment assets	48,894	48,732
Merchandise and finished goods	738	713
Work in process	184	306
Raw materials and supplies	1,935	1,885
Other	42,685	51,786
Allowance for doubtful accounts	(1,079)	(1,062)
Total current assets	583,982	577,007
Non-current assets		
Property, plant and equipment		
Buildings and structures	326,888	326,620
Accumulated depreciation	(189,315)	(190,833)
Buildings and structures, net	137,572	135,786
Vehicles	196,054	196,574
Accumulated depreciation	(178,128)	(177,733)
Vehicles, net	17,925	18,840
Land	176,139	176,134
Lease assets	15,410	16,932
Accumulated depreciation	(6,838)	(7,114)
Lease assets, net	8,572	9,818
Other	171,480	164,816
Accumulated depreciation	(106,048)	(99,540)
Other, net	65,431	65,276
Total property, plant and equipment	405,641	405,856
Intangible assets	20,960	21,882
Investments and other assets		
Investment securities	31,498	46,509
Other	48,262	48,199
Allowance for doubtful accounts	(908)	(1,051)
Total investments and other assets	78,851	93,657
Total non-current assets	505,454	521,396
Total assets	1,089,436	1,098,404

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	148,456	136,170
Short-term loans payable	55,933	60,342
Lease obligations	2,509	2,630
Income taxes payable	19,782	5,222
Deferred installment income	5,894	5,973
Provision for bonuses	30,676	12,898
Other	84,844	137,186
Total current liabilities	348,097	360,424
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	90,515	89,088
Lease obligations	5,387	5,930
Net defined benefit liability	71,551	72,156
Other	10,029	9,750
Total non-current liabilities	197,483	196,926
Total liabilities	545,581	557,351
<b>Net assets</b>		
Shareholders' equity		
Capital stock	127,234	127,234
Capital surplus	36,813	36,813
Retained earnings	402,375	400,059
Treasury shares	(29,075)	(29,075)
Total shareholders' equity	537,348	535,031
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,790	8,208
Foreign currency translation adjustment	750	1,129
Remeasurements of defined benefit plans	(10,067)	(9,381)
Total accumulated other comprehensive income	473	(42)
Non-controlling interests	6,034	6,064
Total net assets	543,855	541,052
Total liabilities and net assets	1,089,436	1,098,404

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

(Millions of yen)

	For the three months ended June 30, 2015	For the three months ended June 30, 2016
Operating revenue	328,932	341,876
Operating cost	314,796	323,065
Operating gross profit	14,136	18,811
Selling, general and administrative expenses	10,005	11,377
Operating income	4,130	7,433
Non-operating income		
Interest income	13	41
Dividend income	329	336
Other	485	262
Total non-operating income	828	641
Non-operating expenses		
Interest expenses	115	165
Foreign exchange losses	–	134
Other	73	107
Total non-operating expenses	189	407
Ordinary income	4,770	7,666
Extraordinary income		
Gain on sales of non-current assets	30	145
Total extraordinary income	30	145
Extraordinary loss		
Loss on retirement of non-current assets	29	56
Disaster recovery expenses for the Kumamoto Earthquake	–	805
Other	0	2
Total extraordinary loss	30	863
Profit before income taxes	4,771	6,948
Income taxes	2,794	3,219
Profit	1,976	3,728
Profit attributable to non-controlling interests	68	67
Profit attributable to owners of parent	1,908	3,661

**Consolidated statement of comprehensive income (cumulative)**

(Millions of yen)

	For the three months ended June 30, 2015	For the three months ended June 30, 2016
Profit	1,976	3,728
Other comprehensive income		
Valuation difference on available-for-sale securities	446	(1,566)
Foreign currency translation adjustment	(473)	378
Remeasurements of defined benefit plans, net of tax	133	686
Total other comprehensive income	106	(500)
Comprehensive income	2,083	3,228
(Breakdown)		
Comprehensive income attributable to owners of parent	2,047	3,145
Comprehensive income attributable to non-controlling interests	35	82

**(3) 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 three months ended June 30, 2015

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Operating revenue					
(1) Operating revenue from customers	254,989	25,882	12,136	10,327	17,350
(2) Inter-segment operating revenue or transfers	16,213	3,092	3,107	6,895	834
Total	271,203	28,974	15,244	17,223	18,185
Segment income (loss)	(2,689)	1,222	(64)	1,740	2,210

	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	6,426	1,818	328,932	—	328,932
(2) Inter-segment operating revenue or transfers	7,109	31,095	68,348	(68,348)	—
Total	13,535	32,914	397,280	(68,348)	328,932
Segment income (loss)	1,075	25,089	28,584	(24,453)	4,130

- 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 24,889 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 three months ended June 30, 2016

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Operating revenue					
(1) Operating revenue from customers	265,628	26,171	12,377	10,858	18,626
(2) Inter-segment operating revenue or transfers	16,099	3,300	2,980	7,598	760
Total	281,727	29,472	15,357	18,457	19,386
Segment income	213	1,195	54	1,973	1,908

	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	6,087	2,127	341,876	—	341,876
(2) Inter-segment operating revenue or transfers	6,944	40,905	78,588	(78,588)	—
Total	13,031	43,032	420,465	(78,588)	341,876
Segment income	1,071	34,898	41,316	(33,882)	7,433

- 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 34,409 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.  
5. Following the revision to the Corporation Tax Act, the Company has applied the "Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016" (ASBJ PITF No. 32, June 17, 2016) from the first quarter ended June 30, 2016, and changed the depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method.  
In addition, the effect of this application on segment income for the three months ended June 30, 2016 is immaterial.

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

Not applicable.



## 4. Supplementary Information

### Operating revenue by business

Business segment		For the three months ended June 30, 2015		For the three months ended June 30, 2016		Change (%)	Fiscal year ended March 31, 2016	
		Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)		Amount (Millions of yen)	Ratio (%)
Delivery	TA-Q-BIN	228,642	69.5	239,782	70.1	4.9	1,004,969	71.0
	Kuroneko DM-Bin	22,755	6.9	21,703	6.4	(4.6)	87,545	6.2
	Express	10,201	3.1	10,315	3.0	1.1	42,800	3.0
	Others	22,016	6.7	22,956	6.7	4.3	94,837	6.7
	Eliminations	(28,626)	(8.7)	(29,129)	(8.5)	1.8	(118,277)	(8.4)
	Total	254,989	77.5	265,628	77.7	4.2	1,111,875	78.5
BIZ-Logistics	Trading logistics service	9,809	3.0	9,005	2.6	(8.2)	38,806	2.7
	Sales and Logistics	8,986	2.7	9,648	2.9	7.4	36,243	2.5
	Multi maintenance	3,266	1.0	3,112	0.9	(4.7)	15,490	1.1
	Products Logistics *1	1,073	0.3	1,095	0.3	2.1	4,297	0.3
	Others	10,767	3.3	10,932	3.2	1.5	42,246	3.0
	Eliminations	(8,021)	(2.4)	(7,623)	(2.2)	(5.0)	(30,262)	(2.1)
	Total	25,882	7.9	26,171	7.7	1.1	106,822	7.5
Home Convenience	Home convenience	10,802	3.3	10,879	3.2	0.7	42,108	3.0
	Business convenience	3,610	1.1	3,589	1.0	(0.6)	17,773	1.3
	Technical Network	838	0.3	894	0.3	6.7	4,408	0.3
	Eliminations	(3,115)	(1.0)	(2,986)	(0.9)	(4.1)	(15,308)	(1.1)
	Total	12,136	3.7	12,377	3.6	2.0	48,981	3.5
e-Business	e-logistics solution	2,414	0.7	2,822	0.8	16.9	10,275	0.7
	Credit card solution	2,458	0.7	2,240	0.7	(8.9)	9,441	0.7
	IT operating solution	1,499	0.5	1,651	0.5	10.1	6,413	0.5
	Web-based mail order solution	1,309	0.4	1,274	0.4	(2.6)	5,850	0.4
	Others	10,359	3.1	12,083	3.5	16.6	46,580	3.3
	Eliminations	(7,713)	(2.3)	(9,214)	(2.7)	19.5	(35,204)	(2.5)
	Total	10,327	3.1	10,858	3.2	5.1	43,357	3.1
Financial	Payment *2	9,089	2.8	9,012	2.6	(0.8)	37,617	2.6
	Lease	7,674	2.3	8,642	2.5	12.6	32,054	2.3
	Credit & Finance	853	0.3	926	0.3	8.6	3,424	0.2
	Others	587	0.2	824	0.2	40.3	2,777	0.2
	Eliminations	(854)	(0.3)	(780)	(0.2)	(8.7)	(3,427)	(0.2)
	Total	17,350	5.3	18,626	5.4	7.4	72,446	5.1
Autoworks	Truck solution	12,225	3.7	11,800	3.5	(3.5)	47,232	3.3
	Others	1,893	0.6	1,848	0.5	(2.4)	7,227	0.5
	Eliminations	(7,692)	(2.3)	(7,562)	(2.2)	(1.7)	(30,001)	(2.1)
	Total	6,426	2.0	6,087	1.8	(5.3)	24,458	1.7
Other	JITBOX Charter service	1,641	0.5	1,989	0.6	21.2	7,524	0.5
	Others	32,142	9.7	42,498	12.4	32.2	52,565	3.7
	Eliminations	(31,964)	(9.7)	(42,360)	(12.4)	32.5	(51,620)	(3.6)
	Total	1,818	0.5	2,127	0.6	16.9	8,470	0.6
Total		328,932	100.0	341,876	100.0	3.9	1,416,413	100.0

\*1. Effective from the first quarter of the fiscal year ending March 31, 2017, the name of the Export Factory category in the BIZ-Logistics segment has been changed to the Products Logistics.

\*2. Effective from the first quarter of the fiscal year ending March 31, 2017, the name of the TA-Q-BIN Collect category in the Financial segment has been changed to the Payment.