

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

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 Listing: Tokyo Stock Exchange
 Stock code: 9064
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Scheduled date of the submission of quarterly securities report: February 10, 2017
 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 third quarter of fiscal year 2017 (cumulative: from April 1, 2016 to December 31, 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 nine months ended								
December 31, 2016	1,118,143	3.1	58,063	(6.5)	58,263	(7.7)	35,719	(6.3)
December 31, 2015	1,084,286	1.4	62,108	(3.8)	63,123	(4.9)	38,131	(2.5)

(Note) Comprehensive income: For the nine months ended December 31, 2016: 35,676 million yen ((4.8)%)
 For the nine months ended December 31, 2015: 37,459 million yen ((10.7)%)

	Basic earnings per share	Diluted earnings per share
For the nine months ended	Yen	Yen
December 31, 2016	89.63	—
December 31, 2015	92.92	92.05

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2016	1,163,273	568,319	48.3
March 31, 2016	1,089,436	543,855	49.4

(Reference) Equity: As of December 31, 2016: 561,913 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	—	13.00	—	—	—
Fiscal 2017 (Forecast)	—	—	—	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
Full year	1,460,000	3.1	58,000	(15.4)	58,500	(15.7)	34,000	(13.8)	85.45

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

* Notes

(1) Changes in significant subsidiaries during the nine 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 December 31, 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 December 31, 2016:	12,823,973 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 nine months ended December 31, 2016:	398,516,345 shares
For the nine months ended December 31, 2015:	410,374,877 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 Nine 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 January 31, 2017. 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 Nine Months

(1) Qualitative information on consolidated operating results

During the nine months ended December 31, 2016, the economic environment continued to be plagued by ongoing uncertainties ahead involving effects of the political climate overseas including the change in the U.S. government administration, an upward trend in crude oil prices and other such factors, despite signs of gradual economic recovery amid underlying strengths in corporate earnings. 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, revenues increased 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. Still, earnings have come under pressure from factors such as rising labor costs including those involving outsourcing workforce in order to maintain service quality amid labor shortages.

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 nine months ended December 31, 2016 are as follows.

(Millions of yen)

Item	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016	Change	Growth (%)
Operating revenue	1,084,286	1,118,143	33,856	3.1
Operating income	62,108	58,063	(4,045)	(6.5)
Ordinary income	63,123	58,263	(4,860)	(7.7)
Profit attributable to owners of parent	38,131	35,719	(2,412)	(6.3)

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,” “Chubu 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. During the nine months ended December 31, 2016, we have been actively promoting efforts to build cross-border network in East Asia, following on

such efforts in the ASEAN region. For instance, we have reached agreement involving the establishment of a joint venture that carries out business involving cross-border logistics platforms in China, and we have also reached agreement involving investment in an international logistics enterprise based in Guangzhou, China.

- e. With the aim of improving customer convenience particularly in the mail order market, we have been working to establish an environment that ensures customers ease in picking up their parcels. To that end, we have embarked on efforts to build an open-type network of parcel lockers primarily in train stations and other such locations.
- f. We have been implementing thorough controls on costs linked to operating volumes while also pursuing measures to improve productivity amid a deteriorating external cost environment marked by a tightening labor market. Also with respect to working styles of our employees, we will take steps to develop a more employee friendly working environment. This involves monitoring the state of the workplace and then making improvements in that regard so that we can better cope with drastic changes in the business environment brought about by TA-Q-BIN delivery volume increases which have been beyond our expectations and the 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 nine months ended December 31, 2015	For the nine months ended December 31, 2016	Change	Growth (%)
TA-Q-BIN	1,327	1,437	109	8.3
Kuroneko DM-Bin	1,151	1,147	(3)	(0.3)

- 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 mail-order services by collaborating with multiple flea market websites and offering delivery services at a greater number of service access points.
- 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 887,270 million yen, up 3.5% from the year-ago period due to an increase in delivery volume of TA-Q-BIN resulting from continuous efforts to increase sales to mail-order business operators, initiatives pursued to increase the use of the "TA-Q-BIN Compact" and "Nekopos" services. As for profits, the segment posted operating income of 36,237 million yen, down 8.8% from the year-ago period due to factors such as an increase in labor costs including those involving outsourcing workforce in order to maintain service quality amid labor shortages, as well as an increase in expenses attributable to external factors such as a higher size-based enterprise tax.

● 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 and others, 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 nine months ended December 31, 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 nine months ended December 31, 2016, we have been actively promoting efforts to increase sales, in part by working to bring in new customers.
- d. Operating revenue amounted to 78,801 million yen, down 2.7% from the year-ago period despite favorable results from services related to business-to-business logistics, mainly due to lackluster results in overseas transport services and a decrease in business involving product recalls. Operating income amounted to 3,269 million yen, down 20.0% 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 nine months ended December 31, 2016, 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 nine months ended December 31, 2016, we actively worked to increase sales involving services for facilitating procurement of return presents of hometown tax payments and other such goods, and office support services.
- d. Operating revenue amounted to 34,517 million yen, down 0.6% from the year-ago period, despite favorable results with respect to use of our Comfortable Lifestyle Support Service and our service for facilitating procurement, due to a situation where revenues were insufficient to cover revenue gains generated by one-off business in the previous fiscal year. As such, the segment posted an operating loss of 463 million yen.

● 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 nine months ended December 31, 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 nine months ended December 31, 2016, we aggressively forged ahead with efforts to increase the sales of these services to IoT equipment business operators, drawing on the setup technologies and logistics know-how we have amassed so far.

- d. Operating revenue amounted to 33,772 million yen, up 5.2% 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 7,282 million yen, up 6.7% 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, business-to-business 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 nine months ended December 31, 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 generating steady results with respect to financial leases primarily involving trucks and installment sales. We have also been developing peripheral operations that include providing vehicle referrals and resale support, while forging ahead in making proposals involving total solutions related to vehicles.
- d. Operating revenue amounted to 58,018 million yen, up 7.3% from the year-ago period due to steady results of lease services business. As for profits, operating income was 6,240 million yen, down 6.7% 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 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 nine months ended December 31, 2016, we took steps to expand sales by aggressively marketing out “Repairworks” services entailing periodic on-site customer visits.
- c. Operating revenue amounted to 18,557 million yen, down 1.1% from the year-ago period mainly due to effects of lower unit price of fuel. Operating income was 2,824 million yen, down 0.9% 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 nine months ended December 31, 2016, service use grew steadily due to favorable results with respect to chilled transport and other optional services, in addition to the existing services.
- b. Operating income in Other excluding dividends which Yamato Holdings Co., Ltd. received from the Group companies increased 5.0% from the year-ago period to 1,726 million yen.

CSR Initiatives

- a. The Yamato Group places utmost priority on protecting human life and conducts a range of safety measures. During the nine months ended December 31, 2016, we held the “6th Yamato Transport Nationwide Safety Competition” and engaged in efforts to enhance the skills of the Group’s professional drivers with respect to safe vehicle operation, while also heightening safety awareness and improving driving skills on a Group-wide basis. In addition, since 1998 we have been holding our “Safety Classes for Children,” through which we convey the importance of traffic safety, in day care facilities, kindergartens and elementary schools across Japan. A total of about 2.97 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. 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 230 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 nine months ended December 31, 2016, we initiated our “combined passenger-cargo” operations using scheduled-route passenger buses in Kumamoto prefecture, which is in addition to three other areas with such operations already, thereby helping to improve lifestyle services for local residents both by keeping scheduled bus networks running in hilly and mountainous areas where populations are substantially declining and getting older, and also by streamlining distribution in those locations. In December, we received the Ministry of Environment Minister’s Prize for our efforts involving our “combined passenger-cargo” operations, at the “13th Eco-Products Awards” sponsored by the Eco-Products Awards Steering Committee. Moreover, we continued to engage in efforts geared to revitalizing communities and resolving issues by leveraging the Yamato Group’s management resources, with respect to initiatives that include helping to watch over elderly residents, supporting tourism, and expanding sales channels for specialty products in respective regions throughout Japan. As a result, we have worked with government bodies on 1,889 such endeavors thus far.

(2) Qualitative information on consolidated financial position

(Assets, liabilities and net assets)

Total assets were 1,163,273 million yen as of December 31, 2016, up 73,837 million yen from the end of the previous fiscal year. The major factor in this was an increase of 58,790 million yen in notes and accounts receivable - trade.

Liabilities increased 49,372 million yen to 594,953 million yen from the end of the previous fiscal year. The increase was largely attributable to a 41,696 million yen increase in notes and accounts payable - trade.

Total net assets were 568,319 million yen, up 24,464 million yen from the end of the previous fiscal year. This was mainly due to the recording of profit attributable to owners of parent of 35,719 million yen and payment of dividends of surplus of 11,158 million yen.

Accordingly, the equity ratio changed to 48.3% from the previous fiscal year's 49.4%.

(3) Qualitative information on consolidated earnings forecasts

Looking ahead at the economy, we expect Japan to move toward gradual recovery on the one hand, but also anticipate a persisting scenario of a tightening labor market coupled with ongoing uncertainties regarding the economic outlook overseas.

In this environment, the Yamato Group will expand its 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. In the Delivery Business, we will further endeavor to heighten profitability in part by persisting in our efforts to enhance customer convenience in receiving parcels, and at the same time we will forge ahead with respect to expenditures in pursuing efforts to drastically overhaul our cost structure. In the non-delivery businesses, we will continue promoting our solution sales.

The Yamato Group has made changes to the consolidated earnings forecasts for the full year of the fiscal year ending March 31, 2017 since the announcement made on July 29, 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 ended June 30, 2016, the scope of equity method application 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 third 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.

As a result, we posted 107 million yen increases across the board in operating income, ordinary income, and profit before income taxes for the nine months ended December 31, 2016.

(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 December 31, 2016
Assets		
Current assets		
Cash and deposits	249,593	226,597
Notes and accounts receivable - trade	197,382	256,172
Accounts receivable - installment	43,647	47,031
Lease investment assets	48,894	50,131
Merchandise and finished goods	738	802
Work in process	184	415
Raw materials and supplies	1,935	1,947
Other	42,685	56,187
Allowance for doubtful accounts	(1,079)	(1,230)
Total current assets	583,982	638,055
Non-current assets		
Property, plant and equipment		
Buildings and structures	326,888	340,652
Accumulated depreciation	(189,315)	(194,247)
Buildings and structures, net	137,572	146,404
Vehicles	196,054	198,114
Accumulated depreciation	(178,128)	(177,854)
Vehicles, net	17,925	20,259
Land	176,139	176,128
Lease assets	15,410	16,568
Accumulated depreciation	(6,838)	(7,975)
Lease assets, net	8,572	8,592
Other	171,480	156,201
Accumulated depreciation	(106,048)	(100,596)
Other, net	65,431	55,604
Total property, plant and equipment	405,641	406,990
Intangible assets	20,960	22,419
Investments and other assets		
Investment securities	31,498	49,031
Other	48,262	47,756
Allowance for doubtful accounts	(908)	(979)
Total investments and other assets	78,851	95,807
Total non-current assets	505,454	525,217
Total assets	1,089,436	1,163,273

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	148,456	190,152
Short-term loans payable	55,933	63,971
Lease obligations	2,509	2,489
Income taxes payable	19,782	13,436
Deferred installment income	5,894	6,046
Provision for bonuses	30,676	11,361
Other	84,844	117,730
Total current liabilities	348,097	405,189
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	90,515	79,900
Lease obligations	5,387	5,221
Net defined benefit liability	71,551	73,084
Other	10,029	11,559
Total non-current liabilities	197,483	189,764
Total liabilities	545,581	594,953
Net assets		
Shareholders' equity		
Capital stock	127,234	127,234
Capital surplus	36,813	36,813
Retained earnings	402,375	426,937
Treasury shares	(29,075)	(29,076)
Total shareholders' equity	537,348	561,908
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,790	11,731
Foreign currency translation adjustment	750	(3,718)
Remeasurements of defined benefit plans	(10,067)	(8,007)
Total accumulated other comprehensive income	473	5
Non-controlling interests	6,034	6,406
Total net assets	543,855	568,319
Total liabilities and net assets	1,089,436	1,163,273

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

(Millions of yen)

	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016
Operating revenue	1,084,286	1,118,143
Operating cost	991,120	1,024,925
Operating gross profit	93,166	93,218
Selling, general and administrative expenses	31,057	35,154
Operating income	62,108	58,063
Non-operating income		
Interest income	86	114
Dividend income	675	675
Other	1,108	801
Total non-operating income	1,870	1,592
Non-operating expenses		
Interest expenses	396	323
Share of loss of entities accounted for using equity method	—	492
Other	458	575
Total non-operating expenses	854	1,392
Ordinary income	63,123	58,263
Extraordinary income		
Gain on sales of non-current assets	33	156
Gain on sales of investment securities	22	200
Other	10	—
Total extraordinary income	67	357
Extraordinary loss		
Loss on retirement of non-current assets	169	150
Impairment loss	198	595
Disaster recovery expenses for the Kumamoto Earthquake	—	878
Other	0	3
Total extraordinary loss	368	1,628
Profit before income taxes	62,822	56,992
Income taxes	24,506	21,061
Profit	38,315	35,930
Profit attributable to non-controlling interests	183	210
Profit attributable to owners of parent	38,131	35,719

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016
Profit	38,315	35,930
Other comprehensive income		
Valuation difference on available-for-sale securities	(580)	2,154
Foreign currency translation adjustment	(675)	(4,469)
Remeasurements of defined benefit plans, net of tax	400	2,060
Share of other comprehensive income of entities accounted for using equity method	—	0
Total other comprehensive income	(856)	(254)
Comprehensive income	37,459	35,676
(Breakdown)		
Comprehensive income attributable to owners of parent	37,195	35,252
Comprehensive income attributable to non-controlling interests	263	424

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

(Segment information, etc.)
 [Segment information]

1. Information regarding the amounts of operating revenue and income or loss by reportable segment
 For the nine months ended December 31, 2015

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Operating revenue					
(1) Operating revenue from customers	857,311	81,017	34,732	32,102	54,053
(2) Inter-segment operating revenue or transfers	49,673	9,560	12,164	22,928	2,533
Total	906,985	90,578	46,897	55,031	56,586
Segment income (loss)	39,746	4,085	(63)	6,825	6,690

	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	18,760	6,308	1,084,286	—	1,084,286
(2) Inter-segment operating revenue or transfers	21,900	43,767	162,529	(162,529)	—
Total	40,661	50,075	1,246,816	(162,529)	1,084,286
Segment income (loss)	2,851	26,248	86,384	(24,275)	62,108

- 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 nine months ended December 31, 2016

(Millions of yen)

	Delivery	BIZ-Logistics	Home Convenience	e-Business	Financial
Operating revenue					
(1) Operating revenue from customers	887,270	78,801	34,517	33,772	58,018
(2) Inter-segment operating revenue or transfers	50,070	10,307	11,342	25,959	2,293
Total	937,340	89,109	45,860	59,732	60,312
Segment income (loss)	36,237	3,269	(463)	7,282	6,240

	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	18,557	7,205	1,118,143	—	1,118,143
(2) Inter-segment operating revenue or transfers	22,105	54,379	176,458	(176,458)	—
Total	40,663	61,584	1,294,601	(176,458)	1,118,143
Segment income (loss)	2,824	35,581	90,971	(32,908)	58,063

- 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.
As a result, for the nine months ended December 31, 2016, segment income of the Delivery Business increased by 94 million yen. The effect of this application on other segments is immaterial.

2. Information regarding impairment losses of non-current assets or goodwill, etc. by reportable segment
(Significant impairment loss on non-current assets)

In the BIZ-Logistics segment, the Company has decreased the book value of an asset group with diminished profitability to the recoverable value, and has accordingly recorded an impairment loss of 595 million yen for the nine months ended December 31, 2016.

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

Not applicable.

(Important subsequent matters)

Purchase of treasury shares

At the meeting held on January 30, 2017, the Board of Directors resolved matters related to the purchase of treasury shares of the Company, in accordance with the provisions of the Articles of Incorporation, pursuant to Article 459, Paragraph 1, Item 1 of the Companies Act of Japan.

1. Reason of purchase of treasury shares

The Company purchases its treasury shares to implement flexible capital policies in accordance with changes in the business environment with the aim of enhancing shareholder value.

2. Contents of matters related to the purchase of treasury shares

Type of shares to be purchased	Common shares of the Company
Total number of shares to be purchased	Up to 5,300,000 shares (ratio to the total number of issued shares (excluding treasury shares) 1.33%)
Total acquisition price of shares to be purchased	Up to 10 billion yen
Acquisition period	From January 31, 2017 to April 30, 2017
Acquisition method	Through the market

4. Supplementary Information

Operating revenue by business

Business segment		For the nine months ended December 31, 2015		For the nine months ended December 31, 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	778,609	71.8	811,757	72.6	4.3	1,004,969	71.0
	Kuroneko DM-Bin	66,028	6.1	63,818	5.7	(3.3)	87,545	6.2
	Express	32,359	3.0	32,083	2.9	(0.9)	42,800	3.0
	Others	69,734	6.4	73,378	6.6	5.2	94,837	6.7
	Eliminations	(89,420)	(8.2)	(93,768)	(8.4)	4.9	(118,277)	(8.4)
	Total	857,311	79.1	887,270	79.4	3.5	1,111,875	78.5
BIZ-Logistics	Trading logistics service	29,199	2.7	24,651	2.2	(15.6)	38,806	2.7
	Sales and Logistics	26,876	2.5	30,161	2.7	12.2	36,243	2.5
	Multi maintenance	12,096	1.1	9,999	0.9	(17.3)	15,490	1.1
	Products Logistics *1	3,236	0.3	3,250	0.3	0.4	4,297	0.3
	Others	32,776	3.0	32,677	2.9	(0.3)	42,246	3.0
	Eliminations	(23,168)	(2.1)	(21,939)	(2.0)	(5.3)	(30,262)	(2.1)
	Total	81,017	7.5	78,801	7.0	(2.7)	106,822	7.5
Home Convenience	Home convenience	29,245	2.7	28,809	2.6	(1.5)	42,108	3.0
	Business convenience	14,072	1.3	14,217	1.3	1.0	17,773	1.3
	Technical Network	3,595	0.3	2,870	0.3	(20.2)	4,408	0.3
	Eliminations	(12,180)	(1.1)	(11,378)	(1.1)	(6.6)	(15,308)	(1.1)
	Total	34,732	3.2	34,517	3.1	(0.6)	48,981	3.5
e-Business	e-logistics solution	7,626	0.7	8,684	0.8	13.9	10,275	0.7
	Credit card solution	6,980	0.6	7,066	0.6	1.2	9,441	0.7
	IT operating solution	4,611	0.4	5,073	0.5	10.0	6,413	0.5
	Web-based mail order solution	4,569	0.4	4,474	0.4	(2.1)	5,850	0.4
	Others	34,531	3.2	40,607	3.6	17.6	46,580	3.3
	Eliminations	(26,216)	(2.4)	(32,133)	(2.9)	22.6	(35,204)	(2.5)
	Total	32,102	2.9	33,772	3.0	5.2	43,357	3.1
Financial	Payment *2	28,421	2.6	28,124	2.5	(1.0)	37,617	2.6
	Lease	23,660	2.2	26,640	2.4	12.6	32,054	2.3
	Credit & Finance	2,581	0.2	2,784	0.2	7.9	3,424	0.2
	Others	1,986	0.2	2,824	0.3	42.2	2,777	0.2
	Eliminations	(2,596)	(0.2)	(2,355)	(0.2)	(9.3)	(3,427)	(0.2)
	Total	54,053	5.0	58,018	5.2	7.3	72,446	5.1
Autoworks	Truck solution	37,028	3.4	36,782	3.3	(0.7)	47,232	3.3
	Others	5,535	0.5	5,859	0.5	5.8	7,227	0.5
	Eliminations	(23,803)	(2.2)	(24,084)	(2.1)	1.2	(30,001)	(2.1)
	Total	18,760	1.7	18,557	1.7	(1.1)	24,458	1.7
Other	JITBOX Charter service	5,576	0.5	6,726	0.6	20.6	7,524	0.5
	Others	45,988	4.3	57,000	5.1	23.9	52,565	3.7
	Eliminations	(45,257)	(4.2)	(56,521)	(5.1)	24.9	(51,620)	(3.6)
	Total	6,308	0.6	7,205	0.6	14.2	8,470	0.6
	Total	1,084,286	100.0	1,118,143	100.0	3.1	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.