

2015

JAPAN POST GROUP Annual Report

Year ended March 31, 2015

Japan Post Group Management Philosophy

Stressing the security and confidence of the Japan Post Group network, the Group, as a private corporation, is demonstrating creativity and efficiency to the greatest extent possible and will provide customer-oriented services, support the lives of customers

in local communities and aim for the happiness of customers and employees. The Group will also pursue managerial transparency on its own, observe rules and contribute to the development of society and the region.

Group Management Policy

1. We will duly consider our customers' lives, exercise our creativity and provide through our nationwide network a selection of products and services needed by customers in every stage of their lives.
2. We will establish effective corporate governance and compliance programs, including internal audits and internal controls.
3. We will maintain the transparency of the Group's operations through the timely and proper disclosure of information, the appropriate use of intra-group transactions and other activities.
4. Japan Post Holdings Co., Ltd., a holding company, is raising its corporate value and making preparations for the quick disposal of its shares. Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. are also aiming for the quick disposal of their shares.
5. We will create opportunities for all employees, business partners and the community to mutually cooperate and for each and every employee to grow.

Japan Post Group Charter of Corporate Conduct

- (1) Earn the trust of customers
 - We earn the trust of customers by adopting their perspective and meeting their expectations.
 - We protect and manage information strictly so that customers can use our services with peace of mind.
 - We fulfill our responsibility to explain our operations by conducting highly transparent business operations and disclosing information in a fair manner.
- (2) Observe ethical standards
 - We continue to conduct business activities with sincerity by complying with laws, regulations, social standards and internal rules.
 - We stand firmly against antisocial forces and organizations that threaten the order and safety of civil society.
 - We maintain workplace discipline by clearly defining responsibilities and authority and fairly evaluating performance and results.
- (3) Place priority on coexistence
 - We actively promote environmental conservation and make a significant contribution to society through business activities.
 - We aim for sustainable coexistence by placing importance on maintaining dialogues with diverse stakeholders.
 - We respect human rights and provide safe and pleasant workplaces.
- (4) Create value
 - We will create new convenience for customers and provide them with high-quality services.
 - We will create stable value by providing universal services in our three core businesses through the Japan Post Group network.
 - We will utilize teamwork and create corporate value for the Japan Post Group by promoting mutual understanding and cooperation among employees and encouraging each and every employee to fulfill their roles and responsibilities.
- (5) Be a source of change
 - We will apply technological innovation and continually make innovative changes internally to provide stable services to our customers.
 - We exercise our creativity from a broad viewpoint and lofty perspective to promote the Group's development.
 - We aggressively take on the challenge of conducting global business activities.

1. Message from the President



I am pleased to present the *Japan Post Group's Annual Report* for the year ended March 31, 2015.

The Japan Post Group provides a variety of products and services, mainly our postal, banking and insurance products and services, which represent our three core businesses that we operate through our nationwide post office network. In undertaking these businesses, we are implementing initiatives for being closely involved in the overall daily lives of our customers while continuously serving customers, local communities and society as a whole.

In preparation for its public listing, the Japan Post Group is currently working to raise the corporate value of the Group. On the occasion of the public listing, the Japan Post Group will work in unison to accelerate efforts to improve its services to further support the lives of customers and ensure that an even greater number of customers can use post offices with confidence. We truly appreciate your continued patronage as we proceed with these initiatives.

This Annual Report for the year ended March 31, 2015 summarizes the Japan Post Group's business conditions and results, which I sincerely hope will give you a deeper understanding of the Japan Post Group.

Review of the Year Ended March 31, 2015

During fiscal 2015, the Japan Post Group worked to smoothly provide universal postal and financial services in accordance with three policies, namely 1) bolster the earning power of our three core businesses and strengthen the Group's business foundations; 2) fulfill our obligation of providing universal services; and 3) enhance our corporate value in anticipation of the Group's public listing. At the same time, we implemented a variety of measures for securing stable income, diversifying and strengthening sources of earnings and fortifying our business foundations mainly in our three core businesses. We also enhanced our internal environment for business operations with the aim of attaining further growth of the Japan Post Group in the future. Specifically, we implemented management reforms

that included the introduction of new personnel and salary systems, strengthened our compliance structure, reconfigured capital within the Group (implemented a capital increase at Japan Post Co., Ltd. and made the "share of public service pension" an off-balance-sheet item at Japan Post Holdings Co., Ltd.) and carried out construction work at aging post offices.

By business sector, in our postal and logistics business, amid the ongoing trend toward decreasing mail volumes, our Yu-Pack and EMS products were used by an even larger number of customers thanks to the expansion of mail order sales markets and efforts to bolster sales activities. Additionally, we strengthened our logistics solutions business targeting mail order sales business operators, bolstered our international logistics business through capital and business alliances with overseas logistics companies

and restructured our postal and logistics networks. Japan Post Co., Ltd. also moved forward with procedures for the purchase of Toll Holdings Limited of Australia and in May 2015 completed this acquisition. With Toll serving as the core, Japan Post Co., Ltd. will develop its international business and aims to become a leading player in the international logistics industry.

In our post office business, we promoted efforts to support the lifestyles of customers by expanding the number of post offices handling collaborative financial products such as cancer insurance and life insurance for companies. Additionally, we are striving to become even closer to the community and society and contribute to regional revitalization by maintaining the level of the post office network, collaborating with local public bodies involved with regional administrative work such as issuing certificates, and implementing the Watch Over Service for the elderly. In real estate development, the Sapporo Mitsui JP Building and the Omiya JP Building were completed. We are now pushing ahead with development plans for our other building leasing business and housing sales business.

In our banking business, Japan Post Bank Co., Ltd. (Yucho) worked to provide products and services that further raise the level of customer satisfaction. These efforts included implementing various types of campaigns, enhancing our lineup of investment trust products that respond to the diverse asset management needs of customers and installing ATMs in FamilyMart convenience stores in the Tokyo metropolitan area and Kansai region. In investment operations, while appropriately controlling interest rate risk, Japan Post Bank promotes diversified asset management from the perspectives of diversifying earnings sources and dispersing risk.

In our life insurance business, Japan Post Insurance Co., Ltd. (Kampo) commenced sales of the newly revised educational endowment insurance product *Hajime no Kampo* and secured the enrollment of numerous customers. Japan Post Insurance also introduced a Claim Payment Processing System (SATI) to make benefit and other payments in a simple, quick and accurate manner with the aim of improving customer service. By further raising the quality of payments with this system, we strengthened our payment management structure for benefits and other payments.

Through the promotion of the preceding initiatives, in fiscal 2015 the Japan Post Group recorded net ordinary income of ¥1,115.8 billion and net income of ¥482.6 billion on a consolidated basis, as the overall Group's earnings grew steadily.

Priority Issues for the Year Ending March 31, 2016

The scope of universal services was expanded through the 2012 enactment of the Act for Partial Revision of the Postal Service Privatization Act and Others and this has assured a framework for the unified use of basic banking and insurance services in addition to postal services at post offices. We recognize that this revision clearly expressed the direction of the Postal Service Privatization Act and Others, which is to continue providing universal postal, banking and insurance services through the post office network that is deeply rooted in local communities. Japan Post Bank and Japan Post Insurance each plan to make

a public listing simultaneously with Japan Post Holdings. Nevertheless, these two financial companies will remain organically linked with the post office network into the future even after the stock market listing and will attain further development as members of the Japan Post Group.


On this basis, the Japan Post Group will maximize its strength, which is its post office network, and will provide various services to support every aspect of customers' lives with the aim of being total lifestyle support corporate group. The Japan Post Group is presently undertaking preparations for its public listing. This public listing is especially meaningful for the Group because it will significantly open a new path for growth and development into an integrated lifestyle-support corporate group. As we promote various measures for raising the Japan Post Group's corporate value in anticipation of our public listing, the Group will intensively promote the following three measures taking into account the previously mentioned measures implemented in fiscal 2015 and the recent business environment.

The first is to pursue greater profitability. We think it is necessary to strengthen the earning power of our three core businesses based on the long-term and stable provision of financial services at counters in post offices; develop new products and services that respond to the diverse lifestyle needs and life stages of each customer; and upgrade integrated lifestyle support services that leverage the potential of the post office network. The second is to raise efficiency. We will reinforce corporate vitality with the aim of realizing continuous growth by enhancing the efficiency of operations via the introduction of information and communications technology (ICT) and reviewing the flow of business operations. The third is to implement corporate governance and return profits as a listed company as we head toward our public listing. We will strengthen corporate governance such as by establishing investor relations (IR) functions and emphasizing accountability, and promote diversity management. We will also strive to pay stable dividends and provide reliable universal services as well as offer community-based services such as the Watch Over Service, with our public and regional characteristics.

In this manner, during fiscal 2016 we will continue to take on the challenge of achieving growth and development into an integrated lifestyle-support corporate group. To do so, we will work for the growth and advancement of each business, beginning with the main three core businesses, and expand the post office network and promote an evolution of its functions.

In closing, I ask for your continued patronage and support for the Japan Post Group as we move ahead with our endeavors.

July 2015



Taizo Nishimuro

President and CEO

Japan Post Holdings Co., Ltd.

2015 JAPAN POST GROUP Annual Report

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This Annual Report is a translation of the Disclosure Document (the written explanation in Japanese of the Company's business and financial conditions) that was prepared pursuant to Article 52-29 of the Banking Act and Article 271-25 of the Insurance Business Act. This Annual Report is not prepared for the purpose of soliciting any shares of the Company and its subsidiaries or any other marketable securities. This Annual Report contains forward-looking statements regarding future performance and other matters.

These forward-looking statements do not constitute guarantees of future performance and are subject to risks and uncertainties. Therefore, these statements are subject to the impact of a wide range of future risk factors that include changes in preconditions concerning the business environment, economic circumstances and economic trends, changes in laws and regulations, the occurrence of large-scale disasters, changes in the value of assets held, reputation and rumor risk and other risks. Accordingly, it should be noted that actual business results and other matters could differ from the details contained in this Annual Report.

Figures and percentages shown in this Annual Report have been rounded off, except for financial numbers in the accounting statements, etc., that have been truncated without rounding. As a consequence, sums of figures may not match the totals presented.

Figures and percentages, with exceptions as specifically indicated, are as of March 31, 2015.

Japan Post Group Overview

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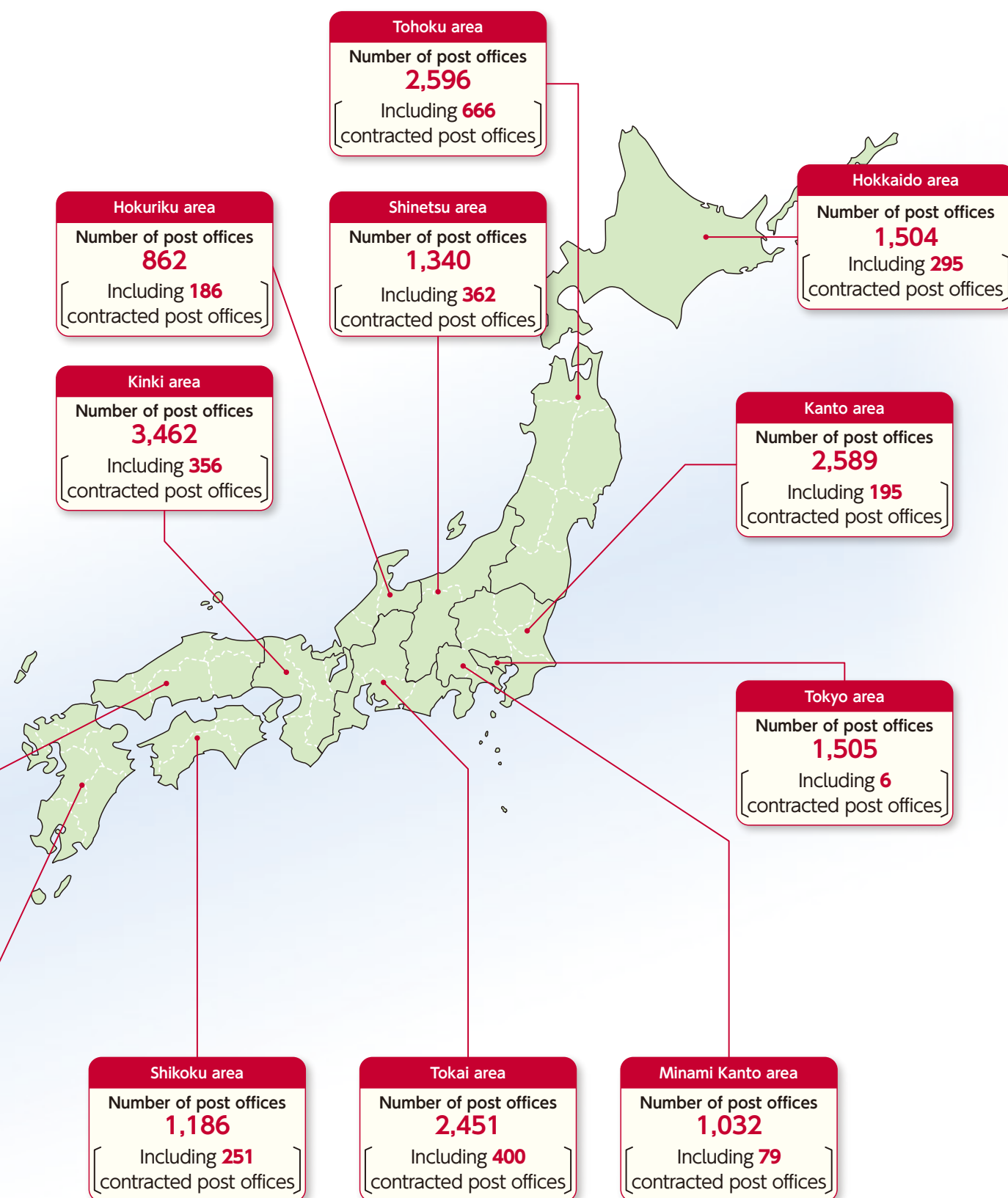
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2. Japan Post Group Highlights in Fiscal 2015

2014

Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. 2015 Jan. Feb. Mar.

April 1, 2014

Establishment of the Japan Post Group Women's Athletics Team

Established the Japan Post Group Women's Athletics Team, its first company sports team since its founding.



Team comprising 10 members (as of April 1, 2015)



Yuchokey & His Friends

April to July 2014

Promotional campaign based on sponsorship rights for a football championship

Utilizing the sponsorship rights for a football championship, we created original characters ("Yuchokey & His Friends") and conducted a promotional campaign via Facebook and LINE, which are widely used by younger generations. During the championship, we displayed a replica of the official match soccer ball at Japan Post Bank branches and post offices and donated soccer balls to elementary schools and children's nursing homes.

April 2 to May 30, 2014

Held "Hajime no Kanpo Campaign"

To increase customer recognition for our *Hajime no Kanpo* educational endowment insurance released nationwide on April 2, 2014, we held a promotional campaign, which included handing out original "baby chick" goods to customers who asked for a case design (policy summary) during the campaign period.



Baby chick seal case



Baby chick mug



May 29 to August 22, 2014

Sales of Kamo-Mail

We sold Kamo-Mail summer 2014 greeting postcards available in three types: one plain and two illustrated. One illustrated version features Mount Fuji and fireworks and the other a wind bell and goldfish in cool, watery tones.

2014

2015

Apr.

May

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June 23, 2014 –

Started providing one-time password tokens for free

Started providing one-time password tokens free of charge to customers who use JAPAN POST BANK Direct (our online banking services) to protect their bank accounts against unauthorized access and resulting cybercrimes.



July 3, 2014 –

Launched “Full of Dreams Caravan” corporate advertising campaign

Rolled out a new corporate advertising campaign featuring Japan Post Group employees and their families, who glow with happiness of working toward their dreams.

July 4 to August 31, 2014

Sales of *Funassyi* Frame Stamps – Birthday Set

Sold a new series of original frame stamps to celebrate the birthday (July 4) of *Funassyi*, a regional mascot character, exclusively on the Post Office Internet Shop.



© Funassyi



©KIYOHICO AZUMA/YOTUBA SUTAZIO

July 18, 2014 –

Sales of YU-PACK DANBOARD mini

As Japan Post's first license business, commenced sales of “YU-PACK DANBOARD mini” dolls featuring the Yu-Pack logo and package design at some post offices and via the Post Office Internet Shop.

2014

Apr.

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August 3, 2014

Festival of 10 Million People's Radio Exercise and Minna no Taiso

Held the 53rd Festival of 10 Million People's Radio Exercise and *Minna no Taiso* ("Exercise for Everyone") in Kobe City, Hyogo Prefecture.



August 3 to 9, 2014

Support for the 38th JAPAN U-12 FOOTBALL CHAMPIONSHIP

To foster children's sound physical and mental growth and development through football, we provided support to the 38th JAPAN Under-12 FOOTBALL CHAMPIONSHIP. The national tournament was held at Gotemba Kogen Toki no Sumika in Shizuoka Prefecture from August 3 to 9.



August 25 to September 8, 2014

Held COOKPAD Healthy Café recipe contest

Held the second Healthy Café recipe contest jointly with COOKPAD, a Japanese recipe website, based on the theme of promoting sound health through food. The award-winning recipes were on the food menu at the *Kanpo Healthy Café*, which opened for a limited period in November.



September 26, 2014

Forming a capital and business alliance among Japan Post, GeoPost and Lenton Group

Japan Post has reached an agreement with GeoPost S.A. of France and Lenton Group Limited of Hong Kong to form a three-company capital and business alliance. It is the Japan Post Group's first alliance formed with non-Japanese companies in its history.



2014

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October 1, 2014 –

Started sales of a new cancer insurance product ("JP Only Product")

We started sales of a new cancer insurance product of American Family Life Assurance Company of Columbus (Aflac), our business partner. The product has been developed by Aflac specifically for the Japan Post Group.



Ceremony to announce the release of Aflac's new cancer insurance product (July 22, 2014)



October 29, 2014

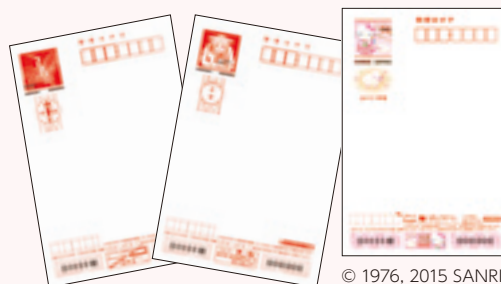
Award-winning teams selected for the first National Elementary School Radio Exercise Competition

This competition was launched in fiscal 2015 with the aim of increasing opportunities for many elementary school children to enjoy the Radio Exercise program and to contribute to the enhancement of their health.

October 30, 2014 to January 9, 2015

Sales of New Year's postcards

In addition to a plain type, the lineup of 2015 New Year's postcards included a series that offers a digital content using augmented reality (AR) technology, such as "Hello Kitty New Year's postcards." The series represented the first such postcards ever issued by Japan Post.



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Ceremony to announce the installation of a Japan Post Bank ATM in a FamilyMart convenience store (November 26, 2014)

November 4, 2014 –

Installing Japan Post Bank ATMs in FamilyMart convenience stores

We have installed Japan Post Bank ATMs in about 500 FamilyMart convenience stores in the Tokyo metropolitan area and Kansai region.

November 4, 2014 –

Launched the second "Life is Full of Dreams" series of corporate advertising campaign for broadcast nationwide

Launched new versions of corporate TV commercials, "Happy Things" and "Things Going Wrong," featuring young Japanese actress Rena Nonen. These were also disseminated as advertising graphics and via the website.



Corporate advertising campaign "Happy Things" version

2014

Apr.

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December 3, 2014

Announced prizewinners for the JAPAN POST BANK Piggy Bank Design Contest

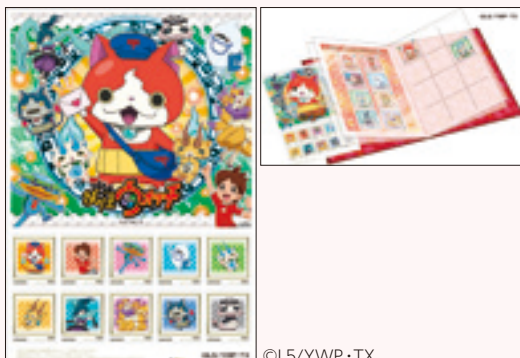
Conducted the final judging and announced the prizewinners for the 39th JAPAN POST BANK Piggy Bank Design Contest. Despite a decrease in the number of children due to a declining birthrate, we received 823,919 entries from elementary school children, which was an increase of more than 10,000 over the previous contest.



"Earth Family," which won the Minister of Education, Culture, Sports, Science and Technology Incentive Award



"Kanbei Kuroda Piggy Bank," which won the Japan Post Bank Award



©L5/YWP・TX

December 18, 2014

Sales of Youkai Watch Frame Stamps Premium Set

Sold a set of frame stamps, stickers and postcards featuring characters from *Youkai Watch*, a popular TV animation series, all placed in a holder with pockets to keep stickers.

January 1, 2015

Delivery of New Year's postcards

Delivered 1,810 million New Year's postcards nationwide on January 1, 2015.



January 13 to March 20, 2015

Held "Dream Kanpo Campaign 2015"

This campaign encouraged customers who asked for a case design (policy summary) during the campaign period to participate in a drawing to win a variety of prizes.



2014

2015

Apr.

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February 2, 2015 -

Issuance of newly designed ordinary stamps

In order to maintain the unity of design of ordinary stamps, issued 12 newly designed ordinary stamps under the theme of Japan's nature, with the exception of a 1 yen stamp, which continues to feature a portrait of Hisoka Maejima, the father of Japan's modern postal service.



Snapshot of "Kanpo Kids Smile World" 2014"

February 7 and 8, 2015

Held "Kanpo Kids Smile World" 2014"

Held "Kanpo Kids Smile World" 2014," a childcare support event including various fun programs enjoyed by both parents and children, at AEON MALL Kahoku in Kahoku City, Ishikawa Prefecture.

March 2, 2015 -

Launched nationwide corporate advertising campaign of the Japan Post Group

Launched a new nationwide corporate advertising campaign of the Japan Post Group, featuring Japanese actor Masataka Kubota, through TV commercials, newspapers and our website, as well as public transportation advertisements and by putting up posters at post offices and branches.



Special corporate advertising page on Japan Post Group's website
<http://www.jp-message.japanpost.jp/>



March 21, 2015 -

Launched the "People on Yucho Street No. 1" series of corporate TV commercials

Rolled out the "People on Yucho Street No. 1" series of Japan Post Bank's first corporate TV commercials.

3. Japan Post Group Financial Review

1

Consolidated Summary (April 1, 2014 to March 31, 2015)

The Japan Post Group's consolidated net ordinary income was ¥1,115.8 billion and net income was ¥482.6 billion. At the end of the fiscal year, total assets amounted to ¥295,849.7 billion and net assets totaled ¥15,301.5 billion.

1. Results of Operations (Year ended March 31, 2015)

	Japan Post Group	Japan Post Holdings	Japan Post	Japan Post Bank	Japan Post Insurance
Ordinary income	¥14,258.8 billion	¥255.3 billion	¥2,840.3 billion	¥2,078.1 billion	¥10,169.2 billion
Net ordinary income	¥1,115.8 billion	¥149.2 billion	¥22.0 billion	¥569.4 billion	¥493.1 billion
Net income	¥482.6 billion	¥131.1 billion	¥15.4 billion	¥369.4 billion	¥81.7 billion

(Reference: Year ended March 31, 2014)

Ordinary income	¥15,240.1 billion	¥276.3 billion	¥2,792.4 billion	¥2,076.3 billion	¥11,233.9 billion
Net ordinary income	¥1,103.6 billion	¥147.8 billion	¥52.5 billion	¥565.0 billion	¥463.5 billion
Net income	¥479.0 billion	¥155.0 billion	¥32.9 billion	¥354.6 billion	¥63.4 billion

Note: Amounts less than ¥100 million are rounded down. The aggregate consolidated amounts and aggregate non-consolidated amounts do not correspond because of other consolidated accounting procedures.

The results of operations for the fiscal year ended March 31, 2015 for four principal companies are shown above. After adding the

results of operations of other subsidiaries and affiliated companies to consolidated operations, net income amounted to ¥482.6 billion.

2. Financial Condition (Year ended March 31, 2015)

	Japan Post Group	Japan Post Holdings	Japan Post	Japan Post Bank	Japan Post Insurance
Total assets	¥295,849.7 billion	¥9,107.1 billion	¥5,441.9 billion	¥208,179.3 billion	¥84,911.9 billion
Total liabilities	¥280,548.2 billion	¥362.7 billion	¥4,463.2 billion	¥196,549.0 billion	¥82,942.8 billion
Net assets	¥15,301.5 billion	¥8,744.4 billion	¥978.7 billion	¥11,630.2 billion	¥1,969.1 billion

(Reference: Year ended March 31, 2014)

Total assets	¥292,246.4 billion	¥9,740.1 billion	¥4,801.7 billion	¥202,512.8 billion	¥87,088.6 billion
Total liabilities	¥278,857.7 billion	¥1,020.7 billion	¥4,240.7 billion	¥191,048.3 billion	¥85,554.1 billion
Net assets	¥13,388.6 billion	¥8,719.3 billion	¥560.9 billion	¥11,464.5 billion	¥1,534.4 billion

Note: Amounts less than ¥100 million are rounded down. The aggregate consolidated amounts and aggregate non-consolidated amounts do not correspond because of other consolidated accounting procedures.

Consolidated total assets at the end of the fiscal year were ¥295,849.7 billion, a year-on-year increase of ¥3,603.3 billion. Assets included securities of ¥222,593.9 billion and loans of ¥12,761.3 billion.

Consolidated total liabilities at the end of the fiscal year were ¥280,548.2 billion, a year-on-year increase of ¥1,690.4 billion. Liabilities included deposits of ¥175,697.1 billion and policy reserves of ¥77,905.6 billion.

After excluding ¥43.5 billion in dividends within retained earnings and adding consolidated net income of ¥482.6 billion, net assets rose from ¥13,388.6 billion at the end of the previous fiscal year-end to ¥15,301.5 billion. Net assets included net unrealized gains on available-for-sale securities of ¥4,389.2 billion.

As of March 31, 2015, the consolidated capital adequacy ratio (domestic standard) was 40.40%.

3. Consolidated Financial Highlights (April 1, 2014 to March 31, 2015)

■ Consolidated Results of Operations

Ordinary income (Year ended March 31, 2015) ¥14,258,842 million (Year ended March 31, 2014) ¥15,240,126 million		Net ordinary income (Year ended March 31, 2015) ¥1,115,823 million (Year ended March 31, 2014) ¥1,103,603 million		Net income (Year ended March 31, 2015) ¥482,682 million (Year ended March 31, 2014) ¥479,071 million	
Net income per share (Year ended March 31, 2015) ¥107.26 (Year ended March 31, 2014) ¥106.46		Diluted net income per share (Note) (Year ended March 31, 2015) — (Year ended March 31, 2014) —			
Return on equity (Year ended March 31, 2015) 3.4% (Year ended March 31, 2014) 3.7%		Net ordinary income/Total assets (Year ended March 31, 2015) 0.4% (Year ended March 31, 2014) 0.4%		Net ordinary income/Ordinary income (Year ended March 31, 2015) 7.8% (Year ended March 31, 2014) 7.2%	

(Reference) Equity in earnings of affiliates
 Year ended March 31, 2015: ¥(561) million
 Year ended March 31, 2014: ¥12 million

Note: Because there was no dilution, the amount for net income per share after dilution is omitted.

■ Consolidated Financial Condition

Total assets (Year ended March 31, 2015) ¥295,849,794 million (Year ended March 31, 2014) ¥292,246,440 million		Net assets (Year ended March 31, 2015) ¥15,301,561 million (Year ended March 31, 2014) ¥13,388,650 million	
Capital adequacy ratio (Note 1) (Year ended March 31, 2015) 5.2% (Year ended March 31, 2014) 4.6%		Net assets per share (Year ended March 31, 2015) ¥3,399.74 (Year ended March 31, 2014) ¥2,974.91	
		Consolidated capital adequacy ratio (domestic standard) (Note 2) (Year ended March 31, 2015) 40.40% (Year ended March 31, 2014) 49.23%	

Notes: 1. The capital adequacy ratio is calculated by dividing net assets less minority interests at the end of the fiscal year by total assets at the end of the fiscal year.

2. The consolidated capital adequacy ratio (domestic standard) is calculated in line with provisions of Article 52-25 of the Banking Act and on the basis of criteria for judging whether a bank holding company's capital adequacy ratio and that of its subsidiaries are appropriate in light of assets held (Financial Services Agency Notice No. 20, 2006).

(Reference) Equity capital
 Year ended March 31, 2015: ¥15,298,833 million
 Year ended March 31, 2014: ¥13,387,076 million

■ Japan Post Holdings implemented a 30:1 stock split effective August 1, 2015, and net assets per share and net income per share for the years ended March 31, 2015 and 2014 have been calculated assuming the stock split was implemented on April 1, 2013.

2 Japan Post Holdings Financial Highlights (April 1, 2014 to March 31, 2015)

In addition to serving as a holding company, Japan Post Holdings operates hospitals and hotels and also contracts to provide shared services to Group companies. Ordinary income was ¥255.3 billion, net ordinary income was ¥149.2 billion and net income was ¥131.1 billion.

■ Results of Operations

Operating income (Year ended March 31, 2015) ¥251,919 million (Year ended March 31, 2014) ¥272,988 million		Net operating income (Year ended March 31, 2015) ¥147,187 million (Year ended March 31, 2014) ¥146,002 million		Net ordinary income (Year ended March 31, 2015) ¥149,298 million (Year ended March 31, 2014) ¥147,837 million		Net income (Year ended March 31, 2015) ¥131,181 million (Year ended March 31, 2014) ¥155,090 million	
Net income per share (Year ended March 31, 2015) ¥29.15 (Year ended March 31, 2014) ¥34.46		Diluted net income per share (Note) (Year ended March 31, 2015) — (Year ended March 31, 2014) —					
Return on equity (Year ended March 31, 2015) 1.5% (Year ended March 31, 2014) 1.8%		Net ordinary income/Total assets (Year ended March 31, 2015) 1.6% (Year ended March 31, 2014) 1.5%		Net operating income/Operating income (Year ended March 31, 2015) 58.4% (Year ended March 31, 2014) 53.5%			

Note: Because there was no dilution, the amount for net income per share after dilution is omitted.

■ Financial Condition

Total assets (Year ended March 31, 2015) ¥9,107,178 million (Year ended March 31, 2014) ¥9,740,129 million		Net assets (Year ended March 31, 2015) ¥8,744,456 million (Year ended March 31, 2014) ¥8,719,384 million	
Capital adequacy ratio (Year ended March 31, 2015) 96.0% (Year ended March 31, 2014) 89.5%		Net assets per share (Year ended March 31, 2015) ¥1,943.21 (Year ended March 31, 2014) ¥1,937.64	
		(Reference) Equity capital Year ended March 31, 2015: ¥8,744,456 million Year ended March 31, 2014: ¥8,719,384 million	

■ Japan Post Holdings implemented a 30:1 stock split effective August 1, 2015, and net assets per share and net income per share for the years ended March 31, 2015 and 2014 have been calculated assuming the stock split was implemented on April 1, 2013.

In the postal and logistics business, we handled a total of 22,035.62 million items including 18,188.63 million items of mail, 485.04 million Yu-Pack parcels and 3,361.94 million Yu-Mail booklet parcels. Although operating income posted a turnaround and increased thanks to rises in Yu-Pack and EMS services, higher personnel expenses and expenses led to a decline in net operating income from the previous fiscal year, resulting in operating income of ¥1,823.9 billion and net operating loss of ¥10.3 billion.

In the post office business, an expansion of revenue in new businesses and a decrease in personnel expenses resulted in operating income of ¥1,184.0 billion and net operating income of ¥20.9 billion.

■ Results of Operations

Operating income (Year ended March 31, 2015) ¥2,819,144 million (Year ended March 31, 2014) ¥2,773,958 million	Net operating income (Year ended March 31, 2015) ¥10,650 million (Year ended March 31, 2014) ¥46,999 million	Net ordinary income (Year ended March 31, 2015) ¥22,010 million (Year ended March 31, 2014) ¥52,532 million	Net income (Year ended March 31, 2015) ¥15,423 million (Year ended March 31, 2014) ¥32,911 million
Net income per share (Year ended March 31, 2015) ¥2,200.79 (Year ended March 31, 2014) ¥8,227.87	Diluted net income per share (Note) (Year ended March 31, 2015) — (Year ended March 31, 2014) —		
Return on equity (Year ended March 31, 2015) 2.3% (Year ended March 31, 2014) 6.0%	Net ordinary income/Total assets (Year ended March 31, 2015) 0.4% (Year ended March 31, 2014) 1.1%	Net operating income/Operating income (Year ended March 31, 2015) 0.4% (Year ended March 31, 2014) 1.7%	

Note: Because there was no dilution, the amount for net income per share after dilution is omitted.

■ Financial Condition

Total assets (Year ended March 31, 2015) ¥5,441,962 million (Year ended March 31, 2014) ¥4,801,764 million	Net assets (Year ended March 31, 2015) ¥978,711 million (Year ended March 31, 2014) ¥560,972 million
Capital adequacy ratio (Year ended March 31, 2015) 18.0% (Year ended March 31, 2014) 11.7%	Net assets per share (Year ended March 31, 2015) ¥ 97,871.11 (Year ended March 31, 2014) ¥140,243.06

(Reference) Equity capital
 Year ended March 31, 2015: ¥978,711 million
 Year ended March 31, 2014: ¥560,972 million

■ Results of Operations by segment

Postal and logistics business segment

Operating income (Year ended March 31, 2015) ¥1,823,902 million (Year ended March 31, 2014) ¥1,777,635 million	Net operating income (Year ended March 31, 2015) ¥(10,319) million (Year ended March 31, 2014) ¥ 9,454 million
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Post office business segment

Operating income (Year ended March 31, 2015) ¥1,184,044 million (Year ended March 31, 2014) ¥1,183,528 million	Net operating income (Year ended March 31, 2015) ¥20,969 million (Year ended March 31, 2014) ¥37,545 million
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4 Japan Post Bank Financial Highlights (April 1, 2014 to March 31, 2015)

Deposits at Japan Post Bank totaled ¥177,710.7 billion (¥179,009.5 billion including accrued interest). Ordinary income was ¥2,078.1 billion, net ordinary income was ¥569.4 billion and net income was ¥369.4 billion. Capital adequacy ratio (non-consolidated, domestic standard) was 38.42%.

Results of Operations

Ordinary income (Year ended March 31, 2015) ¥2,078,179 million (Year ended March 31, 2014) ¥2,076,397 million		Net ordinary income (Year ended March 31, 2015) ¥569,489 million (Year ended March 31, 2014) ¥565,095 million		Net income (Year ended March 31, 2015) ¥369,434 million (Year ended March 31, 2014) ¥354,664 million	
Net income per share (Year ended March 31, 2015) ¥89.58 (Year ended March 31, 2014) ¥78.81		Diluted net income per share (Note) (Year ended March 31, 2015) — (Year ended March 31, 2014) —			
Return on equity (Year ended March 31, 2015) 3.2% (Year ended March 31, 2014) 3.1%		Net ordinary income/Total assets (Year ended March 31, 2015) 0.2% (Year ended March 31, 2014) 0.2%		Net ordinary income/Ordinary income (Year ended March 31, 2015) 27.4% (Year ended March 31, 2014) 27.2%	

Note: Because there was no dilution, the amount for net income per share after dilution is omitted.

Financial Condition

Total assets (Year ended March 31, 2015) ¥208,179,309 million (Year ended March 31, 2014) ¥202,512,882 million		Net assets (Year ended March 31, 2015) ¥11,630,212 million (Year ended March 31, 2014) ¥11,464,524 million	
Capital adequacy ratio (Year ended March 31, 2015) 5.5% (Year ended March 31, 2014) 5.6%		Net assets per share (Year ended March 31, 2015) ¥3,101.82 (Year ended March 31, 2014) ¥2,547.67	
		Capital adequacy ratio (non-consolidated, domestic standard) (Note) (Year ended March 31, 2015) 38.42% (Year ended March 31, 2014) 56.81%	

Note: Capital adequacy ratio (non-consolidated, domestic standard) is calculated based on standards stipulated by Article 14-2 of the Banking Act for the purpose of determining whether banks have sufficient equity capital given their holdings of assets and other instruments (Notification No. 19, the Financial Services Agency of Japan, 2006).

(Reference) Equity capital

Year ended March 31, 2015: ¥11,630,212 million

Year ended March 31, 2014: ¥11,464,524 million

■ Japan Post Bank implemented a 30:1 stock split effective August 1, 2015, and net assets per share and net income per share for the years ended March 31, 2015 and 2014 have been calculated assuming the stock split was implemented on April 1, 2013.

5 Japan Post Insurance Financial Highlights (April 1, 2014 to March 31, 2015)

As a result of efforts to strengthen its sales promotion capabilities in collaboration with Japan Post Co., Ltd., Japan Post Insurance established 2.38 million new insurance policies for individuals, posting ordinary income of ¥10,169.2 billion, net ordinary income of ¥493.1 billion and net income of ¥81.7 billion. Insurance premiums amounted to ¥5,956.7 billion, and core profit was ¥515.4 billion, while retained earnings (reserve for price fluctuations and contingency reserve) totaled ¥3,210.8 billion, for a solvency margin ratio of 1,641.4%.

Results of Operations

Ordinary income (Year ended March 31, 2015) ¥10,169,236 million (Year ended March 31, 2014) ¥11,233,925 million		Net ordinary income (Year ended March 31, 2015) ¥493,169 million (Year ended March 31, 2014) ¥463,506 million		Net income (Year ended March 31, 2015) ¥81,758 million (Year ended March 31, 2014) ¥63,428 million	
Net income per share (Year ended March 31, 2015) ¥136.26 (Year ended March 31, 2014) ¥105.71		Diluted net income per share (Note) (Year ended March 31, 2015) — (Year ended March 31, 2014) —			
Return on equity (Year ended March 31, 2015) 4.7% (Year ended March 31, 2014) 4.2%		Net ordinary income/Total assets (Year ended March 31, 2015) 0.6% (Year ended March 31, 2014) 0.5%		Net ordinary income/Ordinary income (Year ended March 31, 2015) 4.8% (Year ended March 31, 2014) 4.1%	

Note: Because there was no dilution, the amount for net income per share after dilution is omitted.

Financial Condition

Total assets (Year ended March 31, 2015) ¥84,911,946 million (Year ended March 31, 2014) ¥87,088,626 million		Net assets (Year ended March 31, 2015) ¥1,969,143 million (Year ended March 31, 2014) ¥1,534,457 million	
Capital adequacy ratio (Year ended March 31, 2015) 2.3% (Year ended March 31, 2014) 1.8%		Net assets per share (Year ended March 31, 2015) ¥3,281.91 (Year ended March 31, 2014) ¥2,557.43	
		(Reference) Equity capital Year ended March 31, 2015: ¥1,969,143 million Year ended March 31, 2014: ¥1,534,457 million	

■ Japan Post Insurance implemented a 30:1 stock split effective August 1, 2015, and net assets per share and net income per share as of and for the years ended March 31, 2015 and 2014 have been calculated assuming the stock split was implemented on April 1, 2013.