Summary of Consolidated Financial Results
for the Fiscal Year Ended March 31, 2014

May 15, 2014

Company name: Japan Post Holdings Co., Ltd. URL: http://www.japanpost.jp/
Representative: Taizo Nishimuro, President & CEO (Representative Executive Officer)
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Scheduled date of General Shareholders' Meeting: June 25, 2014
Trading accounts: Unestablished

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(1) Consolidated Results of Operations (% indicates changes from the previous corresponding period.)

	Ordinary income		Net ordinary income		Net income attributable to Japan Post Holdings	
	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2014	15,240,126	(3.8)	1,103,603	(9.9)	479,071	(14.9)
Fiscal year ended March 31, 2013	15,849,185	(4.9)	1,225,094	4.1	562,753	20.0

(Note) Comprehensive income: Fiscal year ended March 31, 2014: ¥717,123 million [(53.8)%]
Fiscal year ended March 31, 2013: ¥1,551,771 million [59.5%]

	Net income per share	Diluted net income per share (Note)	Return on equity	Net ordinary income to total assets	Net ordinary income to ordinary income
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2014	3,193.81	-	3.7	0.4	7.2
Fiscal year ended March 31, 2013	3,751.69	-	4.8	0.4	7.7

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended March 31, 2014: ¥12 million
Fiscal year ended March 31, 2013: ¥22 million

(Note) Because there was no dilution, the amount for diluted net income per share is omitted.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio (Note)	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2014	292,246,440	13,388,650	4.6	89,247.18
As of March 31, 2013	292,892,975	12,448,197	4.2	82,978.51

(Reference) Equity: As of March 31, 2014: ¥13,387,076 million
As of March 31, 2013: ¥12,446,776 million

(Note) Equity ratio = [(Net assets – Stock acquisition rights – Non-controlling interests) / Total assets] x 100

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the year
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2014	18,831	11,180,189	(40,405)	21,529,671
Fiscal year ended March 31, 2013	(4,583,976)	10,431,572	(39,236)	10,370,394

2. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(% indicates changes from the previous corresponding period.)

	Net ordinary income		Net income attributable to Japan Post Holdings		Net income per share
	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2015	820,000	(25.7)	330,000	(31.1)	2,200.00

*** Notes:**

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(Note) For details, please refer to [Attachment] "6. Consolidated Financial Statements (5) Notes to Consolidated Financial Statements" on page 14.

(3) Total number of shares issued (common stock)

Total number of shares issued at the end of the period:

March 31, 2014: 150,000,000 shares

March 31, 2013: 150,000,000 shares

(Reference) Summary of non-consolidated financial results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(1) Non-consolidated Results of Operations (% indicates changes from the previous corresponding period.)

	Operating income		Net operating income		Net ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2014	272,988	2.9	146,002	20.5	147,837	17.6	155,090	6.8
Fiscal year ended March 31, 2013	265,304	(7.8)	121,207	(9.0)	125,666	(7.4)	145,228	(4.1)

	Net income per share	Diluted net income per share (Note)
	Yen	Yen
Fiscal year ended March 31, 2014	1,033.94	-
Fiscal year ended March 31, 2013	968.19	-

(Note) Because there was no dilution, the amount for diluted net income per share is omitted.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio (Note)	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2014	9,740,129	8,719,384	89.5	58,129.23
As of March 31, 2013	9,711,170	8,602,843	88.6	57,352.29

(Reference) Equity: As of March 31, 2014: ¥8,719,384 million
As of March 31, 2013: ¥8,602,843 million

(Note) Equity ratio = [(Net assets – Stock acquisition rights) / Total assets] x 100

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(% indicates changes from the previous corresponding period.)

	Operating income		Net ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen
Fiscal year ending March 31, 2015	258,000	(5.5)	116,000	(21.5)	127,000	(18.1)	846.67

* Explanation on appropriate use of the financial results forecast and other specific matters

Forecasts and other forward-looking statements presented in this document are based on information available to the Company at present and certain assumptions that the Company has deemed reasonable, and the Company provides no assurance that the forecasts will be achieved or with respect to any other forward-looking statements. The actual future results may vary considerably depending upon various factors.

[Attachment]

Table of Contents

1. Analysis of Results of Operations and Financial Position

(1) Analysis of Results of Operations

Looking at the economic climate in Japan during the fiscal year under review, a gradual economic recovery continued due to factors including the quantitative and qualitative monetary easing by the Bank of Japan in April 2013 (the “monetary easing”) and various governmental economic stimulation measures, which contributed to improved corporate earnings, and improvements in the employment and income environments, which contributed partially to an increase in consumer confidence. Last-minute demand was also seen before the consumption tax hike towards the end of the fiscal year.

In the financial and capital markets, erratic fluctuations of the yield rate on ten-year Japanese government bonds were seen temporarily due to the introduction of the monetary easing, but it stabilized as the effects of the easing took hold. From the start of the new year onwards, the yield has remained in the range of around 0.6%, due in part to low overseas interest rates and risk aversion. The Nikkei Stock Average rose to the lower ¥16,000 level by the end of the year due in part to forecasts of improvement in corporate earnings resulting from the weak yen, but from the start of the new year onwards it fell below the ¥14,000 level mainly due to risks in emerging countries. As these risks fell back, the average recovered to the upper ¥14,000 level.

In the logistics industry, the growth of online shopping led to expansion in the market for deliveries of small items, such as ordinary parcels. However, in order to respond to increasing customer needs for service quality, companies are striving to improve service levels in a harsh competitive environment. In the postal business, the increased penetration of the Internet and the reduction in communications expenses in companies, especially the shift to using the web for billing and other notices issued by companies, have resulted in the business environment remaining severe.

In the banking industry, real deposit at banks in Japan rose year-on-year during the fiscal year under review, and loans rose for the third consecutive year. The financial system overall remains stable, and under monetary easing, fund procurement by financial institutions did not present a major problem.

In the life insurance industry, competition is intensifying due to the need to strengthen sales channels and develop new products in response to the diversification of customer needs and increasingly rigorous product choice amid changing lifestyles, aging population, declining birthrate and increasing number of single-person households.

Under this business environment, consolidated net income attributable to Japan Post Holdings for the fiscal year under review was ¥479.0 billion.

Net income of Japan Post Holdings Co., Ltd., Japan Post Co., Ltd., Japan Post Bank Co., Ltd., and Japan Post Insurance Co., Ltd. is as below.

Company	Net income
Japan Post Holdings Co., Ltd.	¥155.0 billion
Japan Post Co., Ltd.	¥32.9 billion
Japan Post Bank Co., Ltd.	¥354.6 billion
Japan Post Insurance Co., Ltd.	¥63.4 billion

(2) Analysis of Financial Position

Consolidated total assets were ¥292,246.4 billion, a decrease of ¥646.5 billion from the end of the previous fiscal year. Assets included securities of ¥235,623.1 billion and loans of ¥14,096.9 billion.

Consolidated total liabilities were ¥278,857.7 billion, a decrease of ¥1,586.9 billion from the end of the previous fiscal year. Liabilities included deposits of ¥175,291.9 billion and policy reserves of ¥80,799.9 billion.

After excluding ¥38.5 billion of cash dividends and adding consolidated net income of ¥479.0 billion, net assets increased from ¥12,448.1 billion at the end of the previous fiscal year to ¥13,388.6 billion. Net assets included net unrealized gains on available-for-sale securities of ¥2,750.4 billion.

2. Overview of the Corporate Group

The Japan Post Group is composed of the Company, 18 subsidiaries (of which 16 are consolidated subsidiaries), and 3 affiliates. Its business operations include postal and logistics business, post office business, banking business, and life insurance business.

The organization chart below shows the positions of the Company and its principal subsidiaries and affiliates in each business operation.

(As of March 31, 2014)

- JAPAN POST HOLDINGS — Japan Post Holdings Co., Ltd.
  - JAPAN POST — ○ Japan Post Co., Ltd.
    - ○ Japan Post Transport Co., Ltd. and 5 other consolidated subsidiaries
    - ○ Japan Post Network Trading Service Co., Ltd.
      ○ Japan Post Building Management Co., Ltd.
      △ JA Foods Oita Co., Ltd.
  - JAPAN POST BANK — ○ Japan Post Bank Co., Ltd.
    - △ SDP Center Co., Ltd.
      △ ATM Japan Business Service, Ltd.
  - JAPAN POST INSURANCE — ○ Japan Post Insurance Co., Ltd.
    - ○ Japan Post Insurance System Solutions Co., Ltd.
  - ○ Japan Post Staff Co., Ltd.
    ○ Yusei Challenged Co., Ltd.
    ○ Japan Post Hotel Service Co., Ltd.
    ○ Japan Post Information Technology Co., Ltd.

○ Consolidated subsidiaries

△ Affiliates accounted for by the equity method

3. Japan Post Group Management Philosophy and Management Policy

The management philosophy and management policy of the Japan Post Group are as below.

(1) 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.

(2) 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.

4. Issues to be Addressed

In February 2014, the Group announced the "Japan Post Group medium-term business plan – creating a new Japan Post Group network 2016". The objective of the plan is to create a new Japan Post Group network and strengthen the Group's operating platforms by creating synergy between the development of the post office network and the growth and development in each Group business operation. The Group medium-term business plan positions "strengthening the profitability and operating platforms of the three main businesses," "fulfilling obligations to ensure universal services to customers," and "enhancing the Group's corporate value in preparation for stock listing" as the medium-term Group management policies (three pillars), and outlined various measures. Furthermore, we intend in the future to become a "total lifestyle support company" through our post office network which contributes to customers, communities, and society.

For the fiscal year ending March 31, 2015, the Company will continue to strive to formulate and ensure the implementation of the basic management policies in each Group company in order to achieve the goals such as maintaining postal, banking, and insurance services as universal services and providing stable services to our customers by maintaining and leveraging the post office network.

The Company will move rapidly forward with preparations in order to enable a near-term stock listing and disposal of stock of the Company by the Japanese government, and will also make preparations based on policies concerning disposal of stock of Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. The Company will oversee management of the Japan Post Group with a view to ensuring the steady progress of Group companies' measures to enhance profitability and business efficiencies based on the Group medium-term business plan in its efforts to raise the corporate value of the Group. At the same time, the Company, as the holding company, will engage in deeper collaboration with Group companies, and provide support as needed in order to resolve management issues of the Group.

One of the pending challenges of the Group is enhancing internal control. The Company will continue to strive to strengthen its corporate governance over the entire Group in order to ensure transparency, thorough accountability, and appropriate business operation. To do so, in the fiscal year ending March 31, 2015, the

Company has continued to position improvement of compliance of the entire Group as the most critical issue, and will accurately assess the status of formulation and implementation of compliance programs for the fiscal year ending March 31, 2015 at Group companies, as well as their internal audit system and audit status, and provide them with required support and guidance. We consider the enhancement of measures to prevent recurrence of misconduct to be one of the issues of the highest priority. Specifically, top management will appeal to employees to completely eliminate misconduct, implementing and managing measures while continuing to strive to improve corporate culture and structure of the Group.

Furthermore, we will endeavor to ensure the public benefits and interests of the services provided by Group companies, increase customer satisfaction, and work with Group companies to implement CSR activities rooted in the corporate social responsibilities of the Group.

Issues to be addressed by individual subsidiaries are described in the materials of their respective companies.

5. Forecast for the Fiscal Year Ending March 31, 2015

For the fiscal year ending March 31, 2015, the consolidated financial results of the Japan Post Group is forecasted at net ordinary income of ¥820.0 billion and net income attributable to Japan Post Holdings of ¥330.0 billion.

6. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Cash and due from banks	10,862,494	21,994,452
Call loans	2,041,185	2,073,594
Receivables under securities borrowing transactions	10,472,820	10,034,958
Monetary claims bought	486,253	169,721
Trading account securities	247	278
Money held in trust	3,295,696	3,500,631
Securities	244,330,341	235,623,120
Loans	16,659,553	14,096,911
Foreign exchanges	3,051	30,659
Other assets	1,175,289	1,083,760
Tangible fixed assets	2,712,047	2,665,243
Buildings	1,077,645	1,036,110
Land	1,447,840	1,445,909
Construction in progress	15,679	27,838
Other tangible fixed assets	170,881	155,384
Intangible fixed assets	253,244	270,559
Software	236,583	253,935
Other intangible fixed assets	16,660	16,623
Deferred tax assets	462,515	592,844
Customers’ liabilities for acceptances and guarantees	145,000	115,000
Reserve for possible loan losses	(6,765)	(5,295)
Total assets	292,892,975	292,246,440

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Deposits	174,857,218	175,291,979
Policy reserves and others	84,746,052	80,799,941
Reserve for outstanding claims	947,123	831,690
Policy reserves	81,401,981	77,745,490
Reserve for policyholder dividends	2,396,947	2,222,759
Payables under securities lending transactions	12,557,798	14,370,767
Foreign exchanges	272	249
Other liabilities	3,384,192	3,678,082
Reserve for bonuses	96,017	93,649
Liability for retirement benefits	3,259,201	2,884,827
Reserve under the special laws	522,872	614,233
Reserve for price fluctuations	522,872	614,233
Deferred tax liabilities	876,152	1,009,058
Acceptances and guarantees	145,000	115,000
Total liabilities	280,444,778	278,857,789
Net assets		
Capital stock	3,500,000	3,500,000
Capital surplus	4,503,856	4,503,856
Retained earnings	2,527,181	2,967,703
Total shareholders' equity	10,531,037	10,971,559
Net unrealized gains (losses) on available-for-sale securities	2,292,561	2,750,463
Net deferred gains (losses) on hedges	(376,823)	(596,892)
Foreign currency translation adjustments	-	66
Accumulated adjustments for retirement benefits	-	261,879
Total accumulated other comprehensive income	1,915,738	2,415,517
Non-controlling interests	1,421	1,573
Total net assets	12,448,197	13,388,650
Total liabilities and net assets	292,892,975	292,246,440

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Ordinary income	15,849,185	15,240,126
Postal business income	1,734,593	1,761,145
Banking business income	2,124,905	2,075,516
Life insurance business income	11,834,831	11,233,998
Other ordinary income	154,855	169,465
Ordinary expenses	14,626,617	14,136,522
Operating expenses	12,164,888	11,640,717
Personnel expenses	2,283,878	2,300,355
Depreciation and amortization	162,440	175,682
Other ordinary expenses	15,409	19,767
Income (expenses) from contribution to society and community fund	2,527	-
Income from contribution to society and community fund	2,527	-
Expenses for contribution to society and community fund	0	-
Net ordinary income	1,225,094	1,103,603
Extraordinary gains	1,969	1,811
Gains on sales of fixed assets	412	371
Compensation for transfer	436	495
Gains on liquidation of subsidiaries and affiliates	352	-
Compensation income	622	932
Other extraordinary gains	144	12
Extraordinary losses	79,911	122,801
Losses on sales and disposal of fixed assets	4,832	13,706
Losses on impairment of fixed assets	5,584	13,655
Provision for reserve under the special laws	64,656	91,360
Provision for reserve for price fluctuations	64,656	91,360
Group restructuring expenses	4,502	-
Post office refurbishment expenses	-	974
Other extraordinary losses	335	3,104
Provision for reserve for policyholder dividends	307,427	242,146
Income before income taxes	839,725	740,466
Income taxes current	446,519	381,825
Income taxes deferred	(169,624)	(120,582)
Total income taxes	276,894	261,242
Net income	562,831	479,224
Net income attributable to non-controlling interests	77	152
Net income attributable to Japan Post Holdings	562,753	479,071

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net income	562,831	479,224
Other comprehensive income	988,940	237,899
Net unrealized gains (losses) on available-for-sale securities	1,295,173	457,899
Net deferred gains (losses) on hedges	(306,233)	(220,069)
Foreign currency translation adjustments	-	66
Share of other comprehensive income of affiliates	-	2
Comprehensive income	1,551,771	717,123
Total comprehensive income attributable to:		
Japan Post Holdings	1,551,694	716,970
Non-controlling interests	77	152

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2013

(Millions of yen)

	Shareholders' equity				Contribution to society and community fund	Net unrealized gains (losses) on contribution to society and community fund
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity		
Balance at the beginning of the fiscal year	3,500,000	4,503,856	1,942,074	9,945,930	60,204	1,080
Changes in the fiscal year						
Cash dividends			(37,851)	(37,851)		
Net income attributable to Japan Post Holdings			562,753	562,753		
Contribution to society and community fund			60,204	60,204		
Net changes in items other than shareholders' equity in the fiscal year					(60,204)	(1,080)
Net changes in the fiscal year	-	-	585,106	585,106	(60,204)	(1,080)
Balance at the end of the fiscal year	3,500,000	4,503,856	2,527,181	10,531,037	-	-

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	997,387	(70,589)	926,797	1,345	10,935,358
Changes in the fiscal year					
Cash dividends					(37,851)
Net income attributable to Japan Post Holdings					562,753
Contribution to society and community fund					60,204
Net changes in items other than shareholders' equity in the fiscal year	1,295,173	(306,233)	988,940	76	927,731
Net changes in the fiscal year	1,295,173	(306,233)	988,940	76	1,512,838
Balance at the end of the fiscal year	2,292,561	(376,823)	1,915,738	1,421	12,448,197

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at the beginning of the fiscal year	3,500,000	4,503,856	2,527,181	10,531,037
Changes in the fiscal year				
Cash dividends			(38,550)	(38,550)
Net income attributable to Japan Post Holdings			479,071	479,071
Net changes in items other than shareholders' equity in the fiscal year				
Net changes in the fiscal year	-	-	440,521	440,521
Balance at the end of the fiscal year	3,500,000	4,503,856	2,967,703	10,971,559

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	2,292,561	(376,823)	-	-	1,915,738	1,421	12,448,197
Changes in the fiscal year							
Cash dividends							(38,550)
Net income attributable to Japan Post Holdings							479,071
Net changes in items other than shareholders' equity in the fiscal year	457,902	(220,069)	66	261,879	499,778	152	499,931
Net changes in the fiscal year	457,902	(220,069)	66	261,879	499,778	152	940,452
Balance at the end of the fiscal year	2,750,463	(596,892)	66	261,879	2,415,517	1,573	13,388,650

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from operating activities:		
Income before income taxes	839,725	740,466
Depreciation and amortization	162,440	175,682
Losses on impairment of fixed assets	5,584	13,655
Equity in (earnings) losses of affiliates	(22)	(12)
Net change in reserve for outstanding claims	(48,611)	(115,432)
Net change in policy reserves	(3,741,858)	(3,656,490)
Provision for interest on policyholder dividends	9,008	4,627
Provision for reserve for policyholder dividends	307,427	242,146
Net change in reserve for possible loan losses	(1,458)	(1,470)
Net change in reserve for bonuses	6,625	(2,367)
Net change in asset and liability for retirement benefits	(122,314)	(374,374)
Net change in reserve for price fluctuations	64,656	91,360
Interest and dividend income	(1,501,699)	(1,459,322)
Interest expenses	3,790	5,008
Interest income (accrual basis)	(1,876,142)	(1,827,610)
Interest expenses (accrual basis)	349,299	361,245
Net (gains) losses on securities	(84,828)	(66,359)
Net (gains) losses on money held in trust	(80,281)	(113,593)
Net (gains) losses on foreign exchanges	(96,943)	(281,267)
Net (gains) losses on sales and disposal of fixed assets	4,354	13,354
Group restructuring expenses	4,502	-
Net change in loans	165,141	890,310
Net change in deposits	423,206	434,761
Net change in negotiable certificates of deposit	(50,000)	20,000
Net change in call loans	(595,419)	(9,577)
Net change in receivables under securities borrowing transactions	(2,362,705)	928,763
Net change in payables under securities lending transactions	1,141,147	1,224,351
Net change in foreign exchanges (assets)	(421)	(27,608)
Net change in foreign exchanges (liabilities)	119	(23)
Interest received (cash basis)	2,064,065	2,012,796
Interest paid (cash basis)	(172,227)	(205,712)
Other, net	(40,514)	166,840
Subtotal	(5,224,352)	(815,849)
Interest and dividend income received	1,583,241	1,654,629
Interest expenses paid	(3,791)	(4,957)
Policyholder dividends paid	(430,448)	(420,523)
Income taxes paid	(508,261)	(394,466)
Others	(363)	-
Net cash provided by (used in) operating activities	(4,583,976)	18,831

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from investing activities:		
Payments into time deposits	-	(715)
Purchases of call loans	(30,330,152)	(32,758,125)
Proceeds from redemption of call loans	30,724,414	32,731,552
Purchases of monetary claims bought	(2,044,334)	(2,746,495)
Proceeds from sale and redemption of monetary claims bought	1,632,157	3,066,421
Net change in receivables/payables under securities borrowing/lending transactions	313,935	97,715
Purchases of securities	(87,757,707)	(41,594,136)
Proceeds from sale of securities	5,224,515	4,029,294
Proceeds from redemption of securities	91,598,170	46,827,862
Purchases of money held in trust	(766,930)	(459,900)
Proceeds from sale of money held in trust	959,112	564,939
Payments for loans	(1,802,877)	(1,610,723)
Proceeds from collection of loans	3,034,930	3,273,670
Purchases of tangible fixed assets	(70,636)	(76,047)
Proceeds from sale of tangible fixed assets	1,598	1,437
Purchases of intangible fixed assets	(88,083)	(84,912)
Other, net	(196,540)	(81,647)
Net cash provided by investing activities	10,431,572	11,180,189
Cash flows from financing activities:		
Proceeds from borrowings	4,370	4,050
Repayments of borrowings	(3,734)	(4,489)
Dividends paid	(37,851)	(38,550)
Dividends paid to non-controlling interests	(1)	-
Other, net	(2,019)	(1,415)
Net cash used in financing activities	(39,236)	(40,405)
Effect of exchange rate changes on cash and cash equivalents	687	661
Net change in cash and cash equivalents	5,809,046	11,159,277
Cash and cash equivalents at the beginning of the year	4,561,347	10,370,394
Cash and cash equivalents at the end of the year	10,370,394	21,529,671

(5) Notes to Consolidated Financial Statements

(Notes on Going-Concern Assumption)

None

(Basis of Presentation of Consolidated Financial Statements)

	Fiscal year ended March 31, 2014
1. Scope of consolidation	(1) Consolidated subsidiaries: 16 Principal companies: Japan Post Co., Ltd. Japan Post Bank Co., Ltd. Japan Post Insurance Co., Ltd. Japan Post International Logistics Co., Ltd. is included in the scope of consolidation from the current fiscal year due to the establishment of the company. (2) Non-consolidated subsidiaries: 2 Tokyo Beiyu Co., Ltd. Nittei Butsuryu Gijutsu Co., Ltd. These non-consolidated subsidiaries are excluded from the scope of consolidation because their assets, ordinary income, net income (loss) (amount corresponding to the Group's equity position), retained earnings (amount corresponding to the Group's equity position), accumulated other comprehensive income (amount corresponding to the Group's equity position) and others are immaterial and the exclusion of these companies from the scope of consolidation does not hinder a reasonable understanding of the Group's financial position and results of operations.
2. Application of the equity method	(1) Non-consolidated subsidiaries accounted for by the equity method None (2) Affiliates accounted for by the equity method: 3 JA Foods Oita Co., Ltd. SDP Center Co., Ltd. ATM Japan Business Service, Ltd. JA Foods Oita Co., Ltd. is included in the scope of the equity method from the current fiscal year due to the acquisition of its stock. (3) Non-consolidated subsidiaries not accounted for by the equity method: 2 Tokyo Beiyu Co., Ltd. Nittei Butsuryu Gijutsu Co., Ltd. These non-consolidated subsidiaries are excluded from the scope of the equity method because their net income (loss) (amount corresponding to the Group's equity position), retained earnings (amount corresponding to the Group's equity position), accumulated other comprehensive income (amount corresponding to the Group's equity position) and others are immaterial and the exclusion of these companies from the scope of the equity method does not hinder a reasonable understanding of the Group's financial position and results of operations. (4) Affiliates not accounted for by the equity method None

	Fiscal year ended March 31, 2014
3. Fiscal year-end dates of consolidated subsidiaries	(1) Fiscal year-end for consolidated subsidiaries December 31: 1 March 31: 15 (2) The subsidiary with a fiscal year-end date of December 31 is consolidated using the financial statements as of and for the year ended December 31. Appropriate adjustments were made for material transactions during the period between its fiscal year-end date and the consolidated fiscal year-end date.
4. Summary of significant accounting policies	
(1) Valuation criteria and methods for trading account securities	Trading account securities are carried at fair value.
(2) Valuation criteria and methods for securities	1) Held-to-maturity bonds are carried at amortized cost and the cost of these securities sold is calculated using the moving-average method. Amortization is calculated using the straight-line method. In accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Audit Committee Report No. 21), policy-reserve-matching bonds are carried at amortized cost and the cost of these securities sold is calculated using the moving-average method. Amortization is calculated using the straight-line method. Investments in non-consolidated subsidiaries and affiliates that are not accounted for by the equity method are carried at cost and the cost of these securities sold is calculated using the moving-average method. Available-for-sale securities are carried at their fiscal year-end market price, of which average market prices during the final month of the fiscal year is used to value stocks and stock mutual funds. Cost of securities sold is calculated using the moving-average method. Available-for-sale securities with no available market prices are carried at cost using the moving-average method or amortized cost (the straight-line method) as it is extremely difficult to determine fair value for these securities. Net unrealized gains (losses) on available-for-sale securities (including net unrealized gains (losses) arising from fluctuations in foreign exchange), net of income taxes, are included in net assets, after deducting the amount that is reflected in the fiscal year's earnings by applying fair value hedge accounting. 2) Securities included in money held in trust are carried using the same method used for securities mentioned above. Net unrealized gains (losses) on money held in trust classified as other than trading and held-to-maturity, net of income taxes, are included in net assets.
(3) Valuation criteria and methods for derivative transactions	All derivative transactions are valued at fair value.

	Fiscal year ended March 31, 2014
(4) Depreciation methods of fixed assets	1) Tangible fixed assets (excluding leased assets) Depreciation of tangible fixed assets is computed using the straight-line method. Useful lives of principal assets are as follows: Buildings: 2-50 years Others: 2-75 years 2) Intangible fixed assets (excluding leased assets) Amortization of intangible fixed assets is computed using the straight-line method. The capitalized development costs of software intended for internal use are amortized over the expected useful lives of mainly 5 years. 3) Leased assets Finance lease transactions that do not transfer ownership, which are recorded in tangible fixed assets and intangible fixed assets, are depreciated to the residual value of zero or guaranteed value using the straight-line method over the lease term.
(5) Recognition of reserve for possible loan losses	1) For reserve for possible loan losses of the Company and its consolidated subsidiaries other than Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd., allowance is provided for general accounts receivable using a rate determined based on past bad debt experience. In addition, a reserve is provided for specific loans such as loans to bankrupt or effectively/substantially bankrupt borrowers at the estimated amount considered uncollectible based on review of the respective nature of loans. 2) Reserve for possible loan losses of Japan Post Bank Co., Ltd. is provided for in accordance with the write-off and provision standards as described below: In accordance with “Practical Guidance for Checking Internal Controls for Self-Assessments of Assets by Banks and Other Financial Institutions and for Audits of Loans Written Off and Loan Loss Allowance Provisions” JICPA, Special Committee for Audits of Banks, etc., Report No. 4), loans to normal borrowers and borrowers with collectability risks are classified into certain groups, and an allowance is provided for each group based on the estimated rate of loan losses. For loans to borrowers with collectability risks, an allowance is provided for based on an amount net of amounts expected to be collected through disposal of collateral or through execution of guarantees, and the amount considered to be necessary based on a solvency assessment. For loans to bankrupt or substantially bankrupt borrowers, an allowance is provided for based on an amount net of amounts expected to be collected through disposal of collateral or through execution of guarantees. All loans are assessed initially by the marketing and other departments based on internal rules for self-assessment of asset quality. The asset evaluation department, which is independent from the marketing and other departments, reviews these self-assessments.

	Fiscal year ended March 31, 2014
	3) Reserve for possible loan losses of Japan Post Insurance Co., Ltd. is provided pursuant to its standards for self-assessment of asset quality, and general allowance is provided using a rate determined by past bad debt experience. In addition, specific allowances, which are determined after reviewing individual collectability of accounts, are recorded. All loans and claims are assessed initially by the relevant departments based on internal rules for self-assessment of asset quality. The asset evaluation department, which is independent from the relevant departments, reviews these self-assessments. The above allowances are made based on the result of this assessment.
(6) Reserve for bonuses	To provide for the payment of bonuses to employees, a reserve is provided in the amount expected to be incurred at the end of the fiscal year based on the projected obligations as of the end of the fiscal year.
(7) Accounting method for retirement benefits	1) In calculating the projected benefit obligation, the straight-line basis is used to attribute the expected benefit to respective service period. Treatment of prior service cost and actuarial difference are accounted for as follows. Prior service cost Prior service cost is amortized using the straight-line method over a fixed period (8-14 years) within the estimated average remaining service period for employees in the fiscal year in which the difference is incurred. Actuarial difference Actuarial difference is amortized based on a proportional amount using the straight-line method over a fixed period (8-14 years) within the estimated average remaining service period for employees from the fiscal year following the respective fiscal year in which the difference is incurred. 2) Charges for the pension program of national public service personnel associated with pension benefits for the service period until December 1958 of those personnel who had worked in postal services for the former Ministry of Communications and the former Ministry of Posts and Telecommunications and retired after January 1959 (hereinafter referred to as “share of public service pension”) are recognized as part of “liability for retirement benefits.” The actuarial difference is amortized using the straight-line method over a fixed period (10 years) within the estimated average remaining payment periods for eligible personnel from the fiscal year after the difference incurred. The prior service cost is amortized using the straight-line method over a fixed period (10 years) within the estimated average remaining payment periods of eligible personnel when incurred. (Additional information) Effective August 1, 2013, the pension benefits for the service period until December 1958 have been reduced pursuant to the “Act for Partial Amendment of the Employees’ Pension Insurance Act and others due to the Unification of Employees’ Pension Plans, etc.” (Act No. 63, 2012). In conjunction with this change, prior service cost in the amount of ¥117,175 million has been recognized due to reduction in retirement benefit obligations, and this prior service cost is amortized using the straight-line method over a fixed period (10 years) within the eligible persons’ average remaining payment period.

	Fiscal year ended March 31, 2014
	3) Charges for the pension program of national public service personnel associated with pension benefits for those personnel who had worked in postal services for the former Ministry of Communications and the former Ministry of Posts and Telecommunications and retired by December 1958 (hereinafter referred to as "share of another public service pension") are recognized as part of "liability for retirement benefits." The actuarial difference is amortized using the straight-line method over a fixed period (5 years) within the estimated average remaining payment periods of eligible personnel from the fiscal year after the difference incurred.
(8) Translation of assets and liabilities denominated in foreign currencies into Japanese yen	Assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the fiscal year-end.
(9) Hedge accounting	1) Hedge accounting for interest rate risks The Company and its consolidated subsidiaries apply deferred hedge accounting to account for transactions they enter into to hedge interest rate risks on financial assets and liabilities. Regarding comprehensive hedges for small-lot multiple short-term payables, the Company applies deferred hedge accounting stipulated in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Audit Committee Report No. 24). Regarding the method for evaluating hedge effectiveness, for comprehensive hedges for small-lot multiple short-term payables, the effectiveness of hedges that offset market fluctuations are assessed by identifying hedged deposits and the corresponding hedging instruments such as interest rate swaps that are grouped into each prescribed residual time maturity period. For individual hedges, the Company and its consolidated subsidiaries design its hedges such that the nature of the hedged items and hedging instruments are highly correlated to ensure that the hedges are highly effective. This design is consistent with the requirements for the exceptional treatment, under which eligible interest rate swap contracts are accounted for on an accrual basis. In addition to the above, the Company and its consolidated subsidiaries apply the exceptional treatment for certain interest swap contracts that meet the criteria for the exceptional accrual method for interest rate swaps.

	Fiscal year ended March 31, 2014
	2) Hedge accounting for foreign exchange risks The Company and its consolidated subsidiaries apply deferred hedge accounting, fair value hedges, or the accounting method translating foreign currency receivables at forward rates to reduce its exposure to foreign exchange rates for the net unrealized gains (losses) on available-for-sale securities. In order to hedge risks arising from volatility of exchange rates for securities denominated in foreign currencies, the Company and its subsidiaries apply portfolio hedges, on the conditions that the hedged foreign securities are designated in advance and that sufficient on-balance (actual) or off-balance (forward) liability exposure exists to cover the cost of the hedged foreign securities denominated in the same foreign currencies. For individual hedges, the Company designs its hedges such that the nature of the hedged items and hedging instruments are highly correlated to ensure that the hedges are highly effective.
(10) Amortization method of goodwill and amortization period	Goodwill is amortized for a period up to 5 years depending on the cause of amortization using the straight-line method. Goodwill deemed immaterial, however, is expensed as incurred.
(11) Reserve for price fluctuations	Reserve for price fluctuations is computed based on Article 115 of the Insurance Business Act.
(12) Scope of funds in consolidated statements of cash flows	Cash and cash equivalents consists of cash on hand, deposits that can be withdrawn at any time, and short-term investments with a maturity of three months or less when purchased which can easily be converted to cash and are subject to little risk of change in value (excluding negotiable certificates of deposit held by the banking subsidiary included in “cash and due from banks”).
(13) Principal matters serving as the basis for preparing financial statements	1) Consumption taxes All figures are net of consumption taxes. 2) Consolidated tax payment system The Company and certain consolidated subsidiaries adopt the consolidated tax payment system, under which Japan Post Holdings Co., Ltd. is the parent company. 3) Method of accumulating policy reserves Policy reserves are reserves provided in accordance with Article 116 of the Insurance Business Act. Policy reserves are recognized based on the following methodology: (a) Reserves for contracts subject to the standard policy reserve are computed in accordance with the method prescribed by the Commissioner for Finance Services Agency (Ordinance No. 48 issued by the Ministry of Finance in 1996). (b) Reserves for the other contracts are computed based on the net level premium method. Pursuant to Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act, effective from the year ended March 31, 2011, additional policy reserves are accumulated over a 10-year period for a portion of reinsurance contracts from the Management Organization for Postal Savings and Postal Life Insurance, which is an independent administrative institution. As a result, the amounts of provision for policy reserves for the current fiscal year were ¥175,129 million.

(Changes in Accounting Policies)

Fiscal year ended March 31, 2014
Effective from the end of the current fiscal year, the Company has adopted the Retirement Benefits Accounting Standard and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012) excluding provisions stated in the main clause of Paragraph 35 of the Retirement Benefits Accounting Standard and the main clause of Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits, whereby the amount after deducting pension assets from retirement benefit obligations is recorded as liability for retirement benefits. Since the Retirement Benefits Accounting Standard and Guidance on Accounting Standard for Retirement Benefits are being applied transitionally as provided for in Paragraph 37 of the Retirement Benefits Accounting Standard, unrecognized actuarial differences and unrecognized prior service cost after tax effect adjustment are recognized as accumulated adjustments for retirement benefits in accumulated other comprehensive income. As a result, liability for retirement benefits of ¥2,884,827 million is recognized at the end of the current fiscal year. In addition, deferred tax assets decreased by ¥1,020 million while deferred tax liabilities and accumulated other comprehensive income increased by ¥2,548 million and ¥261,879 million, respectively.

(Additional Information)

Fiscal year ended March 31, 2014
(Adjustments to the amounts of deferred tax assets and deferred tax liabilities due to changes in the rate of income taxes) The Act for Partial Amendment of the Income Tax Act, etc. (Act No. 10 of 2014) was promulgated on March 31, 2014 and, as a result, the Special Reconstruction Corporation Tax was abolished effective from the year beginning on or after April 1, 2014. As a result, deferred tax assets and liabilities decreased by ¥5,233 million and ¥2,927 million, respectively, and deferred income taxes increased by ¥7,354 million.

(Notes to Consolidated Balance Sheets)

As of March 31, 2014

1. Securities include ¥1,067 million of stocks of non-consolidated subsidiaries and affiliates.
2. Secured loan securities for which borrowers have the right to sell or pledge in the amount of ¥100,660 million were included in Japanese government bonds in securities.

   Unsecured borrowed securities and securities borrowed with cash collateral for which the Group has the right to sell or pledge amounted to ¥10,031,422 million.
3. There were no insolvent loans, non-accrual delinquent loans, past-due loans (three months or more), and restructured loans.
4. Accumulated depreciation of tangible fixed assets: ¥910,337 million
5. Deferred gains on tangible fixed assets not recognized for tax purposes: ¥62,214 million
6. Changes in reserve for policyholder dividends

	(Millions of yen)
Balance at the beginning of the fiscal year:	2,396,947
Policyholder dividends paid in the fiscal year:	420,523
Interest accrual:	4,627
Reduction due to the acquisition of additional annuity:	438
Provision for reserve for policyholder dividends:	242,146
Balance at the end of the fiscal year:	2,222,759

7. Reserve for outstanding claims for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Regulations was ¥82 million. In addition, policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulations were ¥183 million.

8. The Company estimated future contributions to the Life Insurance Policyholders Protection Corporation in the amounts of ¥18,834 million pursuant to Article 259 of the Insurance Business Act. These obligations are recognized as operating expenses when they are made.
9. Policy reserves, excluding contingency reserve, related to reinsurance contracts with Management Organization for Postal Savings and Postal Life Insurance are provided at ¥57,879,628 million, which is an amount calculated based on the statement of calculation procedures for the insurance subsidiary's insurance premiums and policy reserves, and are not less than the amounts calculated based on the statement of calculation procedures for the postal life insurance policy reserves in accordance with the Act on Management Organization for Postal Savings and Postal Life Insurance (Act No. 101 of 2005).

   Contingency reserve of ¥2,350,030 million and reserve for price fluctuations of ¥554,723 million were provided for the category of reinsurance.

(Notes to Consolidated Statements of Income)

Fiscal year ended March 31, 2014

Provision for reserve for policyholder dividends, which is provided for Management Organization for Postal Savings and Postal Life Insurance based on gains or losses and others arising in the category of reinsurance due to the reinsurance contracts with Management Organization for Postal Savings and Postal Life Insurance, was ¥222,812 million.

(Notes to Consolidated Statements of Comprehensive Income)

Fiscal year ended March 31, 2014

Reclassification adjustments and related tax effect for other comprehensive income

	(Millions of yen)
Net unrealized gains (losses) on available-for-sale securities:	
Amount arising during the fiscal year	813,880
Reclassification adjustments	(114,528)
Before tax effect adjustments	699,352
Tax effect	(241,453)
Net unrealized gains (losses) on available-for-sale securities	457,899
Net deferred gains (losses) on hedges:	
Amount arising during the fiscal year	(494,241)
Reclassification adjustments	156,509
Adjustments of assets' acquisition costs	(4,199)
Before tax effect adjustments	(341,931)
Tax effect	121,862
Net deferred gains (losses) on hedges	(220,069)
Foreign currency translation adjustments:	
Amount arising during the fiscal year	66
Share of other comprehensive income of affiliates:	
Amount arising during the fiscal year	2
Total other comprehensive income	237,899

(Notes to Consolidated Statements of Changes in Net Assets)

Fiscal year ended March 31, 2014

1. Type and number of shares issued

(Thousands of shares)

	April 1, 2013	Increase	Decrease	March 31, 2014	Remarks
Shares issued					
Common stock	150,000	-	-	150,000	

2. Information concerning dividends

Dividends from retained earnings require approval from the Minister of Internal Affairs and Communications pursuant to the provisions of Article 11 of the Act on Japan Post Holdings Co., Ltd.

Cash dividends paid of the current fiscal year

Resolution	Class of shares	Total amount (Millions of yen)	Per share amount (Yen)	Record date	Effective date
Board of Directors' meeting held on June 20, 2013	Common stock	38,550	257.00	March 31, 2013	June 20, 2013

(Notes to Consolidated Statements of Cash Flows)

Fiscal year ended March 31, 2014

The reconciliation of cash and cash equivalents in the consolidated statements of cash flows to cash and due from banks in the consolidated balance sheets is as follows:

	(Millions of yen)
Cash and due from banks	21,994,452
Negotiable certificates of deposit included in cash and due from banks of the banking subsidiary	(615,000)
Negotiable certificates of deposit included in securities	151,000
Deposits with maturities of more than three months	(781)
Cash and cash equivalents at the end of the year	21,529,671

(Financial Instruments)

1. Status of Financial Instruments

(1) Policy for Handling Financial Instruments

The Group is required to manage financial assets and liabilities owned by Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. in order to avoid adverse effects such as damage to the ability to secure more stable profit or loss for the period due to future interest rate risk and foreign exchange risk, since these assets and liabilities are generally subject to changes in value due to fluctuations in interest.

For this purpose, both companies endeavor to properly manage income and risk by means of asset liability management (ALM), under which framework the companies enter into transactions in derivatives such as interest rate swaps and foreign exchange futures.

Derivative transactions are identified as a key hedging method against interest rate risk and foreign exchange risk to our investment assets, and these are not used for speculative purposes.

(2) Features and Risks of Financial Instruments

In the Group, financial assets owned by Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. consist mainly of securities such as domestic and overseas securities, in particular Japanese government bonds, loans, stock investments through money held in trust and others. Such financial assets are exposed to risks including the credit risk of their issuing bodies, interest rate risk, and market price fluctuation risk.

From an ALM viewpoint, interest rate swaps are used as a means of hedging future price volatility risk and interest rate risk of securities, loans, fixed-term deposits, and others in interest rate-related transactions.

For currency-related transactions, currency swap and foreign exchange contracts are used as a means of hedging foreign exchange risk in connection with the translation of foreign currency-denominated assets held by Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. and related yen translation amounts of redemption of principal and interest.

In hedging risk using derivative transactions, the Group applies hedging accounting for transactions meeting certain prescribed requirements in order to limit impacts on financial accounting.

(3) Risk Management Framework for Financial Instruments

The “Basic Policy for Group Risk Management” prepared by the Company classifies and defines risk categories managed by Group companies and prescribes basic policy that must be followed by Group companies.

The current status of Group company risk management is periodically reported to the management meeting in which the Group’s risk management policies and risk management systems are discussed.

For risks such as market risk, credit risk and other types of risk, each company identifies risks that can be quantified and then uses VaR (value at risk, a measure of the maximum expected loss that could occur due to events with a certain probability) and other methods to measure these risks. The Company manages risk by confirming that the amount of risk measured at each of these two companies is suitable in relation to each company’s equity capital.

1) Credit Risk Management

Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. use the VaR method to quantify credit risk exposure, in accordance with the respective rules of the companies on credit risk management. Moreover, to control credit concentration risk, the companies provide credit limits and others for individual companies and corporate groups and supervise these limits during each fiscal year.

2) Management of Market Risk

Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. use VaR method to quantify market risk exposure, in accordance with the respective rules of the companies on market risk management.

3) Management of Liquidity Risk Related to Fund Raising Activities

Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. manage liquidity risk related to fund raising activities through the establishment of indexes of fund raising, etc. in accordance with their respective rules.

(4) Additional Notes Concerning the Fair Value of Financial Instruments

The fair value of a financial instrument includes prices based on market quotations as well as rationally calculated prices. In calculating prices, certain premises and assumptions are adopted, and the use of different assumptions may lead to changes in pricing.

2. Fair Values of Financial Instruments

Amounts carried on the consolidated balance sheets, fair values and the difference between them as of March 31, 2014 are as follows. Privately held shares and others for which fair values are extremely difficult to determine are not included in the table below (see Note 2).

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
(1) Cash and due from banks	21,994,452	21,994,452	-
(2) Call loans	2,073,594	2,073,594	-
(3) Receivables under securities borrowing transactions	10,034,958	10,034,958	-
(4) Monetary claims bought	169,721	169,721	-
(5) Trading account securities			
Trading securities	278	278	-
(6) Money held in trust	3,500,631	3,500,631	-
(7) Securities			
Held-to-maturity bonds	134,875,084	140,527,456	5,652,372
Policy-reserve-matching bonds	17,953,667	19,052,820	1,099,152
Available-for-sale securities	82,653,215	82,653,215	-
(8) Loans	14,096,911		
Reserve for possible loan losses (* 1)	(208)		
	14,096,702	15,138,720	1,042,017
Total assets	287,352,306	295,145,848	7,793,542
(1) Deposits	175,291,979	175,946,708	654,728
(2) Payables under securities lending transactions	14,370,767	14,370,767	-
Total liabilities	189,662,747	190,317,476	654,728
Derivative transactions (* 2)			
Hedge accounting not applied	141	141	-
Hedge accounting applied	(1,001,481)	(1,001,481)	-
Total derivative transactions	(1,001,339)	(1,001,339)	-

(* 1) General reserve for possible loan losses corresponding to loans has been deducted.

(* 2) Derivative transactions recorded in Other assets/Other liabilities are expressed as lump sums.

Net receivables and payables arising from derivative transactions are stated at net values, and if the values are negative, they are indicated in parentheses.

Additionally, those subject to exceptional treatment for interest rate swaps and the allocation method for forward exchange contracts which requires recognized foreign currency assets or liabilities to be translated using the corresponding foreign exchange contract rates are jointly disclosed with hedged loans and securities. Therefore, their fair values are included in the relevant loans and securities.

Note 1: Calculation Method for Fair Values of Financial Instruments

Assets

(1) Cash and due from banks

For funds due from banks with no maturity date, fair value approximates book value, which is therefore used as fair value. For funds due from banks with a maturity date where the contract period is short (within a year), fair value approximates book value, which is therefore used as fair value.

(2) Call loans and (3) Receivables under securities borrowing transactions

These are settled within a short-term (one year), and their fair value approximates book value, which is therefore used as fair value.

(4) Monetary claims bought

Pricing offered by the broker and other third parties serves as fair value.

(5) Trading account securities

The purchase price of the Bank of Japan serves as fair value.

(6) Money held in trust

The fair value of securities invested in money held in trust, which is solely entrusted for security trading purposes, is based on the price quoted by the exchange for shares and on the price quoted by the exchange, price of over-the-counter transactions, or prices rationally calculated mutatis mutandis on the basis of market quotations for bonds.

Notes to money held in trust are provided in “Money Held in Trust” in accordance with the purpose of the holdings.

(7) Securities

The fair value of securities are based on the price quoted by the exchange, price of over-the-counter transactions, or prices rationally calculated mutatis mutandis on the basis of market quotations.

Notes on securities by categories based on holding purposes are presented in “Securities.”

(8) Loans

For loans with variable interest rates, which follow market interest rates only over the short-term, fair value approximates book value unless the obligor’s credit standing does not significantly differ after the transaction. In such cases, book value serves as fair value. For loans with fixed interest rates, fair value is based on a net discounted present value of future cash flows.

For loans which amounts are limited to the values of corresponding collateral and which have no fixed date of repayments, book values are used as fair value, because their fair value approximates book value considering the term and conditions.

Liabilities

(1) Deposits

For demand deposits, the payment amount (book value) if demanded on the consolidated balance sheet date is deemed to be the fair value of such demand deposits. For fixed-term deposits, fair value is based on the net discounted present value of future cash flows, following a division into certain periods. The interest rate applicable to new savings is used as the discount rate.

(2) Payables under securities lending transactions

Payables under securities lending transactions are settled within a short-term (one year) and their fair value approximates book value. Accordingly, book value is used as fair value.

Derivatives

Derivatives consist of interest rate-related transactions (interest rate swaps) and currency-related transactions (exchange contracts and currency swaps). Fair value is based on the price quoted by the stock exchange or values obtained from net present value calculations.

Note 2: The consolidated balance sheet amounts of financial instruments for which fair values are deemed extremely difficult to determine are as shown below; they are not included in "Assets (7) Securities" under information concerning fair values of financial instruments.

(Millions of yen)

Class	Amount on the consolidated balance sheets
Unlisted stocks (*)	141,152
Total	141,152

(*) The above instruments are not included in the scope of fair value disclosures because there are no available market prices and it is extremely difficult to determine their fair values.

Note 3: Redemption schedule of monetary claims and securities with maturities

(Millions of yen)

	Within 1 year	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years
Due from banks	20,935,334	-	-	-	-	-
Call loans	2,073,594	-	-	-	-	-
Receivables under securities borrowing transactions	10,034,958	-	-	-	-	-
Monetary claims bought	81,063	1,378	13,761	10,000	7,000	54,400
Securities						
Held-to-maturity bonds	27,338,868	33,550,436	19,485,905	9,829,264	21,284,129	22,847,540
Policy-reserve-matching bonds	1,014,401	4,830,421	3,605,125	1,583,792	2,732,196	4,056,700
Available-for-sale securities with maturities	11,007,251	17,463,015	13,216,786	12,928,143	14,303,986	3,362,236
Loans	2,579,870	2,801,100	2,183,133	1,899,461	2,136,635	2,492,467
Total	75,065,341	58,646,353	38,504,713	26,250,661	40,463,948	32,813,344

Note 4: Redemption schedule of deposits and payables under securities lending transactions

(Millions of yen)

	Within 1 year	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years
Deposits (*)	74,709,231	11,218,546	32,951,793	22,382,440	34,029,968	-
Payables under securities lending transactions	14,370,767	-	-	-	-	-
Total	89,079,998	11,218,546	32,951,793	22,382,440	34,029,968	-

(*) Demand deposits are included in "Within 1 year."

(Securities)

The amounts shown in the following tables include trading account securities, negotiable certificates of deposit included in cash and due from banks, and monetary claims bought, in addition to securities.

1. Trading account securities (As of March 31, 2014)

There were no valuation gains (losses) associated with trading account securities recorded under income or expenses for the fiscal year ended March 31, 2014.

2. Held-to-maturity bonds (As of March 31, 2014)

(Millions of yen)

	Type	Consolidated balance sheet amount	Fair value	Difference
Those for which fair value exceeds consolidated balance sheet amount	Japanese government bonds	114,982,371	119,922,919	4,940,548
	Japanese local government bonds	8,709,765	9,115,202	405,436
	Japanese corporate bonds	7,991,710	8,290,168	298,458
	Others	263,235	329,613	66,378
	Subtotal	131,947,082	137,657,903	5,710,821
Those for which fair value does not exceed consolidated balance sheet amount	Japanese government bonds	2,564,947	2,561,639	(3,308)
	Japanese local government bonds	125,077	124,177	(899)
	Japanese corporate bonds	237,976	237,723	(253)
	Others	-	-	-
	Subtotal	2,928,001	2,923,540	(4,461)
Total		134,875,084	140,581,444	5,706,359

3. Policy-reserve-matching bonds (As of March 31, 2014)

(Millions of yen)

	Type	Consolidated balance sheet amount	Fair value	Difference
Those for which fair value exceeds consolidated balance sheet amount	Japanese government bonds	16,783,518	17,861,458	1,077,940
	Japanese local government bonds	652,123	670,555	18,431
	Japanese corporate bonds	174,853	178,935	4,081
	Subtotal	17,610,495	18,710,949	1,100,453
Those for which fair value does not exceed consolidated balance sheet amount	Japanese government bonds	233,293	232,257	(1,036)
	Japanese local government bonds	100,614	100,372	(241)
	Japanese corporate bonds	9,263	9,240	(23)
	Subtotal	343,171	341,870	(1,300)
Total		17,953,667	19,052,820	1,099,152

4. Available-for-sale securities (As of March 31, 2014)

(Millions of yen)

	Type	Consolidated balance sheet amount	Cost	Difference
Those for which consolidated balance sheet amount exceeds cost	Stocks	20,813	16,728	4,085
	Bonds	55,968,385	54,431,554	1,536,830
	Japanese government bonds	42,591,140	41,414,466	1,176,674
	Japanese local government bonds	4,864,598	4,741,977	122,621
	Short-term corporate bonds	-	-	-
	Japanese corporate bonds	8,512,646	8,275,111	237,535
	Others	22,288,803	19,960,802	2,328,001
	Subtotal	78,278,003	74,409,085	3,868,917
Those for which consolidated balance sheet amount does not exceed cost	Stocks	408	486	(78)
	Bonds	2,945,039	2,957,468	(12,428)
	Japanese government bonds	1,773,535	1,773,686	(150)
	Japanese local government bonds	271,980	272,391	(411)
	Short-term corporate bonds	333,979	333,979	-
	Japanese corporate bonds	565,544	577,410	(11,865)
	Others	2,918,785	2,930,949	(12,164)
	Subtotal	5,864,233	5,888,904	(24,671)
Total		84,142,236	80,297,989	3,844,246

5. Held-to-maturity bonds sold during the fiscal year (From April 1, 2013 to March 31, 2014)
   None

6. Policy-reserve-matching bonds sold during the fiscal year (From April 1, 2013 to March 31, 2014)

(Millions of yen)

	Sales	Gains	Losses
Japanese government bonds	1,962,621	68,754	-
Japanese local government bonds	109,350	2,212	-
Total	2,071,972	70,967	-

7. Available-for-sale securities sold during the fiscal year (From April 1, 2013 to March 31, 2014)

(Millions of yen)

	Sales	Gains	Losses
Stocks	2,983	1,226	(7)
Bonds	1,582,285	8,974	(11,344)
Japanese government bonds	1,560,117	8,484	(8,277)
Japanese corporate bonds	22,168	489	(3,066)
Others	369,797	340	(13,592)
Total	1,955,066	10,541	(24,944)

(Money Held in Trust)

As of March 31, 2014

1. Money held in trust classified as trading
   None

2. Money held in trust classified as held-to-maturity
   None

3. Money held in trust classified as other than trading and held-to-maturity

(Millions of yen)

	Consolidated balance sheet amount	Cost	Difference	Amount for which consolidated balance sheet amount exceeds cost	Amount for which consolidated balance sheet amount does not exceed cost
Money held in trust classified as other than trading and held-to-maturity	3,500,631	2,762,362	738,268	747,393	(9,124)

Note: "Amount for which consolidated balance sheet amount exceeds cost" and "Amount for which consolidated balance sheet amount does not exceed cost" are sub-items of "Difference" respectively.

(Retirement Benefits)

Fiscal year ended March 31, 2014

1. Outline of retirement benefits

The Company and major consolidated subsidiaries have lump-sum severance indemnity plans as a defined benefit plan. Certain consolidated subsidiaries adopt the simplified method in calculating their retirement benefit obligations. Under the simplified method, the amount to be required for voluntary termination at the fiscal year-end is recorded as projected benefit obligations. The charges concerning share of public service pension and share of another public service pension are included in the Company's retirement benefit obligations.

2. Defined benefit plans

(1) Changes in retirement benefit obligations

	(Millions of yen)
Balance at the beginning of the fiscal year	3,113,194
Service cost	111,364
Interest cost	51,105
Actuarial differences	(15,368)
Benefits paid	(247,589)
Prior service cost	(117,175)
Balance at the end of the fiscal year	2,895,530

(2) Changes in plan assets

	(Millions of yen)
Balance at the beginning of the fiscal year	10,669
Expected return on plan assets	220
Actuarial differences	437
Contributions paid by the employer	1,267
Benefits paid	(1,891)
Balance at the end of the fiscal year	10,702

(3) Balance of retirement benefit obligations, plan assets and liability (asset) for retirement benefits on the consolidated balance sheets

	(Millions of yen)
Funded retirement benefit obligations	11,905
Plan assets	(10,702)
	1,202
Unfunded retirement benefit obligations	2,883,624
Lump-sum severance indemnity	2,251,384
Share of public service pension	630,724
Share of another public service pension	1,515
Net liability (asset) for retirement benefits	2,884,827
Liability for retirement benefits	2,884,827
Net liability (asset) for retirement benefits	2,884,827

(4) Retirement benefit costs

	(Millions of yen)
Service cost	111,364
Interest cost	51,105
Expected return on plan assets	(220)
Amortization of actuarial differences	(15,904)
Amortization of prior service cost	(8,304)
Other	29
Total	138,069

(5) Accumulated adjustments for retirement benefits (before tax effect)

Breakdown of items recognized as accumulated adjustments for retirement benefits (before tax effect) is as follows:

	(Millions of yen)
Unrecognized prior service cost	110,663
Unrecognized actuarial differences	154,785
Total	265,448

(6) Plan assets

1) Composition by main categories contained in plan assets is as follows:

	(%)
Bonds	52
Stocks	21
Cash and deposits	1
Others	26
Total	100

2) Method for determining long-term expected rate of return on plan assets

Current and target asset allocations, historical and expected returns on various categories of plan assets have been taken into consideration in determining the long-term expected rate of return.

(7) Actuarial assumptions

Actuarial assumptions at the end of the current fiscal year

	(%)
Discount rate	0.6-1.7
Long-term expected rate of return on plan assets	2.0

(Per Share Data)

(Yen)

	Fiscal year ended March 31, 2014
Net assets per share	89,247.18
Net income per share	3,193.81

Note: Diluted net income per share is not presented as potential common stock did not exist.

(Subsequent Events)

None

7. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	179,049	195,114
Accounts receivable	164,507	176,642
Securities	4,800	-
Inventories	618	615
Short-term loan	300	31,620
Prepaid expenses	64	69
Others	535	857
Reserve for possible loan losses	(9)	(10)
Total current assets	349,865	404,908
Non-current assets		
Tangible fixed assets		
Buildings	38,033	37,460
Structures	690	704
Machinery	627	694
Vehicles	117	108
Tools and fixtures	16,635	5,083
Land	92,381	92,249
Construction in progress	955	600
Total tangible fixed assets	149,441	136,902
Intangible fixed assets		
Software	5,641	1,590
Others	338	332
Total intangible fixed assets	5,980	1,922
Investments and other assets		
Stocks of subsidiaries and affiliates	9,195,299	9,195,299
Long-term loan	10,420	-
Long-term prepaid expenses	57	84
Claims in bankruptcy	116	120
Others	106	1,011
Reserve for possible loan losses	(116)	(120)
Total investments and other assets	9,205,883	9,196,395
Total non-current assets	9,361,305	9,335,220
Total assets	9,711,170	9,740,129

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Accounts payable	18,933	19,026
Income taxes payable	159,151	152,891
Consumption taxes payable	82	-
Accrued expenses	3,231	3,169
Reserve for bonuses	1,754	1,746
Reserve for point service program	452	472
Others	1,247	1,093
Total current liabilities	184,854	178,399
Long-term liabilities		
Reserve for retirement benefits	897,775	817,712
Reserve for directors' retirement benefits	149	-
Reserve for compensation for accidents in the course of duty	23,466	22,550
Others	2,080	2,081
Total long-term liabilities	923,471	842,344
Total liabilities	1,108,326	1,020,744
Net assets		
Shareholders' equity		
Capital stock	3,500,000	3,500,000
Capital surplus		
Capital reserve	4,503,856	4,503,856
Total capital surplus	4,503,856	4,503,856
Retained earnings		
Other retained earnings		
Retained earnings brought forward	598,987	715,528
Total retained earnings	598,987	715,528
Total shareholders' equity	8,602,843	8,719,384
Total net assets	8,602,843	8,719,384
Total liabilities and net assets	9,711,170	9,740,129

(2) Non-consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Operating income		
Commissions from subsidiaries and affiliates	10,317	10,348
Dividend income from subsidiaries and affiliates	105,353	131,253
Income from business consignment	65,092	52,541
Subsidy payment equivalent to deposit insurance premiums	27,009	22,069
Income from hospital business	25,252	24,902
Income from hotel business	32,278	31,874
Total operating income	265,304	272,988
Operating expenses		
Expenses for business consignment	57,258	50,426
Expenses for hospital business	30,098	30,683
Expenses for hotel business	33,693	33,725
Administrative expenses	23,047	12,150
Total operating expenses	144,096	126,985
Net operating income	121,207	146,002
Other income		
Rent income	2,733	2,599
Others	665	731
Total other income	3,398	3,331
Other expenses		
Interest expenses	11	6
Rent expenses	1,044	1,162
Others	411	327
Total other expenses	1,466	1,496
Income (expenses) from contribution to society and community fund		
Income from contribution to society and community fund	2,527	-
Expenses for contribution to society and community fund	0	-
Total income from contribution to society and community fund	2,527	-
Net ordinary income	125,666	147,837
Extraordinary gains		
Compensation income	622	443
Others	48	15
Total extraordinary gains	670	459
Extraordinary losses		
Losses on sales and disposal of fixed assets	267	1,372
Losses on impairment of fixed assets	2,599	9,836
Group restructuring expenses	1,028	-
Others	106	-
Total extraordinary losses	4,002	11,209
Income before income taxes	122,335	137,088
Income taxes current	(9)	(18,001)
Income taxes deferred	(22,883)	-
Total income taxes	(22,893)	(18,001)
Net income	145,228	155,090

(3) Non-consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2013

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus		Retained earnings		Total shareholders' equity
		Capital reserve	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings	
Balance at the beginning of the fiscal year	3,500,000	4,503,856	4,503,856	431,406	431,406	8,435,262
Changes in the fiscal year						
Cash dividends				(37,851)	(37,851)	(37,851)
Net income				145,228	145,228	145,228
Contribution to society and community fund				60,204	60,204	60,204
Net changes in items other than shareholders' equity						
Net changes in the fiscal year	-	-	-	167,581	167,581	167,581
Balance at the end of the fiscal year	3,500,000	4,503,856	4,503,856	598,987	598,987	8,602,843

	Contribution to society and community fund	Net unrealized gains (losses) on contribution to society and community fund	Total net assets
Balance at the beginning of the fiscal year	60,204	1,080	8,496,547
Changes in the fiscal year			
Cash dividends			(37,851)
Net income			145,228
Contribution to society and community fund			60,204
Net changes in items other than shareholders' equity	(60,204)	(1,080)	(61,284)
Net changes in the fiscal year	(60,204)	(1,080)	106,296
Balance at the end of the fiscal year	-	-	8,602,843

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity						Total net assets
	Capital stock	Capital surplus		Retained earnings		Total shareholders' equity	
		Capital reserve	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at the beginning of the fiscal year	3,500,000	4,503,856	4,503,856	598,987	598,987	8,602,843	8,602,843
Changes in the fiscal year							
Cash dividends				(38,550)	(38,550)	(38,550)	(38,550)
Net income				155,090	155,090	155,090	155,090
Net changes in items other than shareholders' equity							
Net changes in the fiscal year	-	-	-	116,540	116,540	116,540	116,540
Balance at the end of the fiscal year	3,500,000	4,503,856	4,503,856	715,528	715,528	8,719,384	8,719,384

(4) Notes to Non-consolidated Financial Statements

(Significant Accounting Policies)

	Fiscal year ended March 31, 2014
1. Valuation criteria and methods for securities	Investments in subsidiaries and affiliates are carried at cost and the cost of these securities sold is calculated using the moving-average method. Available-for-sale securities are carried at their fiscal year-end market price, of which average market prices during the final month of the fiscal year is used to value stocks. Cost of securities sold is calculated using the moving-average method. Available-for-sale securities with no available market prices are carried at cost using the moving-average method or amortized cost (the straight-line method). Net unrealized gains (losses) on available-for-sale securities, net of income taxes, are included in net assets.
2. Valuation criteria and methods for inventories	Inventories are stated at cost using the moving-average method (writing down the book value of inventories based on decreased profitability).
3. Depreciation methods of fixed assets	(1) Tangible fixed assets (excluding leased assets) Depreciation of tangible fixed assets is computed using the straight-line method. Useful lives of principal assets are as follows: Buildings: 2-50 years Others: 2-60 years (2) Intangible fixed assets (excluding leased assets) Amortization of intangible fixed assets is computed using the straight-line method. The useful lives are determined in accordance with the Corporation Tax Act. The capitalized development costs of software intended for internal use are amortized over the expected useful lives of mainly 5 years. (3) Leased assets Finance lease transactions that do not transfer ownership are depreciated to the residual value of zero using the straight-line method over the lease term.
4. Criteria for allowances and reserves	(1) Reserve for possible loan losses For reserve for possible loan losses, allowance is provided for general accounts receivable using a rate determined based on past bad debt experience. In addition, a reserve is provided for specific loans such as loans to bankrupt or effectively/substantially bankrupt borrowers at the estimated amount considered uncollectible based on review of the respective nature of loans. (2) Reserve for bonuses For payment of bonuses to employees, reserve for bonuses is recorded in an amount expected to be incurred at the end of the fiscal year based on the projected obligations as of the end of the fiscal year. (3) Reserve for point service program To provide for the usage of points granted to customers, the Company has recorded at the end of the fiscal year the amounts for points expected to be used in the future. (4) Reserve for retirement benefits 1) For employee retirement benefits, reserve for retirement benefits is recorded based on the projected retirement benefit obligation at the end of the fiscal year.

	Fiscal year ended March 31, 2014
	The actuarial difference is amortized based on a proportional amount using the straight-line method over a fixed period (10 years) within the estimated average remaining service periods for employees from the fiscal year following the respective fiscal year in which the difference is incurred. 2) Charges for the pension program of national public service personnel associated with pension benefits for the service period up to December 1958 of those personnel who had worked in postal services for the former Ministry of Communications and the former Ministry of Posts and Telecommunications and retired after January 1959 (hereinafter referred to as "share of public service pension") are recognized as part of "Reserve for retirement benefits." The actuarial difference is amortized using the straight-line method over a fixed period (10 years) within the estimated average remaining payment periods for eligible personnel from the fiscal year after the difference incurred. The prior service cost is amortized using the straight-line method over a fixed period (10 years) within the estimated average remaining payment periods of eligible personnel when incurred. (Additional information) Effective August 1, 2013, the pension benefits for the service period until December 1958 have been reduced pursuant to the "Act for Partial Amendment of the Employees' Pension Insurance Act and others due to the Unification of Employees' Pension Plans, etc." (Act No. 63, 2012). In conjunction with this change, prior service cost in the amount of ¥117,175 million has been recognized due to reduction in retirement benefit obligations, and this prior service cost is amortized using the straight-line method over a fixed period (10 years) within the eligible persons' average remaining payment period. 3) Charges for the pension program of national public service personnel associated with pension benefits for those personnel who had worked in postal services for the former Ministry of Communications and the former Ministry of Posts and Telecommunications and retired by December 1958 (hereinafter referred to as "share of another public service pension") are recognized as part of "Reserve for retirement benefits." The actuarial difference is amortized using the straight-line method over a fixed period (5 years) within the estimated average remaining payment periods for eligible personnel from the fiscal year after the difference incurred. (5) Reserve for compensation for accidents in the course of duty To provide for the need to pay compensation to employees (or the families of the deceased) for accidents they were involved in during their duty or during commuting, reserve for compensation for accidents in the course of duty is posted as liabilities in the current fiscal year. Actuarial difference is amortized based on a proportional amount using the straight-line method over a fixed period (15 years) within the estimated average remaining service period for employees from the fiscal year following the respective fiscal year in which the difference is incurred.

	Fiscal year ended March 31, 2014
5. Principal matters serving as the basis for preparing financial statements	(1) Accounting for consumption taxes All figures are net of consumption taxes. (2) Adoption of the consolidated tax payment system The Company adopts the consolidated tax payment system, under which Japan Post Holdings Co., Ltd. is the parent company. (3) Accounting related to retirement benefits Accounting treatment for unsettled amounts of unrecognized actuarial differences and unrecognized prior service cost related to retirement benefits is different from the accounting treatment of such amounts on the consolidated financial statements.

(Changes in Presentation)

Fiscal year ended March 31, 2014
(Non-consolidated Balance Sheets) "Reserve for loss on natural disaster" (¥246 million in the current fiscal year) which was separately presented under "Current liabilities" in the previous fiscal year, is included in "Others" from the current fiscal year as its amount was immaterial.

(Notes to Non-consolidated Balance Sheets)

As of March 31, 2014	
1. Assets pledged as collateral	
Investment and other assets	¥45 million
Other assets (government bonds) are deposited in the Legal Affairs Bureau as business security deposits under Building Lots and Buildings Transaction Business Act.	
2. Deferred gains on tangible fixed assets not recognized for tax purposes	¥17,070 million
3. Monetary assets and liabilities to subsidiaries and affiliates	
Short-term monetary assets	¥395,506 million
Long-term monetary assets	¥878 million
Short-term monetary liabilities	¥9,045 million

(Notes to Non-consolidated Statements of Income)

Fiscal year ended March 31, 2014	
1. Transactions with subsidiaries and affiliates	
Operating transactions	
Operating income	¥216,078 million
Operating expenses	¥16,054 million
Other transactions	¥2,813 million

(Subsequent Events)

None