

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2014



November 14, 2014

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 Trading accounts: Unestablished

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2014 (April 1, 2014 to September 30, 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 | % |
| Six months ended September 30, 2014 | 7,105,663 | (5.7) | 518,784 | 1.8 | 217,129 | (1.2) |
| Six months ended September 30, 2013 | 7,538,261 | (4.7) | 509,814 | (9.2) | 219,805 | (7.2) |

(Note) Comprehensive income: Six months ended September 30, 2014: ¥720,094 million [293.7%]
 Six months ended September 30, 2013: ¥182,885 million [(37.4)%]

| | Net income per share | Diluted net income per share (Note) |
|-------------------------------------|----------------------|-------------------------------------|
| | Yen | Yen |
| Six months ended September 30, 2014 | 1,447.53 | - |
| Six months ended September 30, 2013 | 1,465.37 | - |

(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) |
|--------------------------|--------------|-------------|---------------------|
| | Million yen | Million yen | % |
| As of September 30, 2014 | 294,196,553 | 13,809,547 | 4.7 |
| As of March 31, 2014 | 292,246,440 | 13,388,650 | 4.6 |

(Reference) Equity: As of September 30, 2014: ¥13,806,756 million
 As of March 31, 2014: ¥13,387,076 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 period |
|--|---|---|---|--|
| | Million yen | Million yen | Million yen | Million yen |
| Six months ended September 30, 2014 | (1,920,434) | 8,059,112 | (42,764) | 27,625,850 |
| Six months ended September 30, 2013 | 1,829,405 | 1,363,741 | (39,973) | 13,523,886 |

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 |

(Note) Revision to the financial results forecast from the recently announced figures: None

* 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] "2. Matters Concerning Summary Information (Notes)" on page 3.

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

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

September 30, 2014: 150,000,000 shares

March 31, 2014: 150,000,000 shares

(Reference) Summary of non-consolidated financial results

1. Non-consolidated Financial Results for the Six Months Ended September 30, 2014 (April 1, 2014 to September 30, 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 | % |
| Six months ended September 30, 2014 | 188,670 | (8.2) | 135,047 | (1.6) | 135,968 | (1.5) | 140,573 | (2.4) |
| Six months ended September 30, 2013 | 205,419 | 9.4 | 137,233 | 18.5 | 138,078 | 15.6 | 143,975 | 16.5 |

| | Net income per share |
|-------------------------------------|----------------------|
| | Yen |
| Six months ended September 30, 2014 | 937.16 |
| Six months ended September 30, 2013 | 959.83 |

(2) Non-consolidated Financial Position

| | Total assets | Net assets | Equity ratio (Note) |
|--------------------------|--------------|-------------|---------------------|
| | Million yen | Million yen | % |
| As of September 30, 2014 | 9,728,081 | 8,753,848 | 90.0 |
| As of March 31, 2014 | 9,740,129 | 8,719,384 | 89.5 |

(Reference) Equity: As of September 30, 2014: ¥8,753,848 million

As of March 31, 2014: ¥8,719,384 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 | % | Yen |
| Fiscal year ending March 31, 2015 | 258,000 | (5.5) | 116,000 | (21.5) | 127,000 | (18.1) | 846.67 |

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

These materials were prepared solely for the purpose of providing information to the general public, and should not be construed as solicitation for investment in shares of the Company or its subsidiaries, or any other securities.

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]

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1. Qualitative Information on Interim Financial Results for the Period under Review

(1) Explanation of Results of Operations

Net income (loss) of our four principal Group companies (Japan Post Holdings Co., Ltd., Japan Post Co., Ltd., Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd.) for the six months ended September 30, 2014 is as follows.

| Company | Net income (loss) |
|--------------------------------|-------------------|
| Japan Post Holdings Co., Ltd. | ¥140.5 billion |
| Japan Post Co., Ltd. | ¥(38.6) billion |
| Japan Post Bank Co., Ltd. | ¥181.7 billion |
| Japan Post Insurance Co., Ltd. | ¥50.9 billion |

As a result of consolidating other subsidiaries and affiliates, net income attributable to Japan Post Holdings for the six months ended September 30, 2014 was ¥217.1 billion.

(2) Explanation of Financial Position

Consolidated total assets were ¥294,196.5 billion, an increase of ¥1,950.1 billion from the end of the previous fiscal year. Assets included securities of ¥229,105.6 billion and loans of ¥13,383.3 billion.

Consolidated total liabilities were ¥280,387.0 billion, an increase of ¥1,529.2 billion from the end of the previous fiscal year. Liabilities included deposits of ¥175,435.1 billion and policy reserves of ¥79,402.1 billion.

Net assets increased ¥420.8 billion from ¥13,388.6 billion at the end of the previous fiscal year to ¥13,809.5 billion. Net assets included net unrealized gains on available-for-sale securities of ¥3,324.2 billion.

(3) Explanation of Consolidated Financial Results Forecast and Other Future Projections

Consolidated financial results forecast for the fiscal year ending March 31, 2015 remains unchanged from the figures announced on May 15, 2014.

2. Matters Concerning Summary Information (Notes)

(1) Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatement

(Changes in Accounting Policies due to the Revision of Accounting Standards)

Effective from the six months ended September 30, 2014, with respect to the application of the “Accounting Standard for Retirement Benefits” (Accounting Standard Board of Japan (“ASBJ”) Statement No. 26, May 17, 2012; hereinafter referred to as the “Retirement Benefits Accounting Standard”) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012; hereinafter referred to as the “Guidance on Retirement Benefits”), the Company has adopted 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 Retirement Benefits. Accordingly, the Company has revised the calculation methods for retirement benefit obligations and service cost and changed the method of attributing expected benefit to each fiscal year from the straight-line basis to the benefit formula basis. In addition, the method for determining the discount rate has been changed from the method using a discount rate based on the number of years which approximates the estimated average remaining service lives for employees to the method using a single-weighted average discount rate which reflects the estimated payment periods of retirement benefits and the amounts by the respective estimated payment periods.

In accordance with the transitional application provided for in Paragraph 37 of the Retirement Benefits Accounting Standard, the effects of changes of the calculation methods for retirement benefit obligations and service cost are recognized in retained earnings at the beginning of the six months ended September 30, 2014.

As a result, liability for retirement benefits increased by ¥263,412 million while retained earnings decreased by ¥256,948 million at the beginning of the six months ended September 30, 2014. In addition, net ordinary income and income before income taxes for the six months ended September 30, 2014 both increased by ¥5,280 million.

(2) Additional Information

(Establishment of Retirement Benefit Trusts)

At the meeting of the Board of Directors held on September 22, 2014, the Company resolved to establish retirement benefit trusts for the purpose of improving financial soundness of retirement benefits. Although specific procedures will be processed in the future, liability for retirement benefits is expected to be reduced as a result of an increase in plan assets.

(Reduction of Capital Reserve)

Transfer of capital reserve of ¥3,628,856,095,788 to other capital surplus, in accordance with Article 448, Paragraph 1 of the Companies Act, was approved at the General Shareholders’ Meeting held on June 25, 2014.

The effective date for the reduction of capital reserve is scheduled on December 1, 2014.

3. Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2014 | As of September 30, 2014 |
|---|----------------------|--------------------------|
| Assets | | |
| Cash and due from banks | 21,994,452 | 28,189,091 |
| Call loans | 2,073,594 | 2,545,251 |
| Receivables under securities borrowing transactions | 10,034,958 | 11,492,118 |
| Monetary claims bought | 169,721 | 400,192 |
| Trading account securities | 278 | 171 |
| Money held in trust | 3,500,631 | 4,128,161 |
| Securities | 235,623,120 | 229,105,670 |
| Loans | 14,096,911 | 13,383,382 |
| Foreign exchanges | 30,659 | 33,782 |
| Other assets | 1,083,760 | 1,170,068 |
| Tangible fixed assets | 2,665,243 | 2,739,100 |
| Intangible fixed assets | 270,559 | 280,192 |
| Deferred tax assets | 592,844 | 619,762 |
| Customers' liabilities for acceptances and guarantees | 115,000 | 115,000 |
| Reserve for possible loan losses | (5,295) | (5,392) |
| Total assets | 292,246,440 | 294,196,553 |

(Millions of yen)

| | As of March 31, 2014 | As of September 30, 2014 |
|--|----------------------|--------------------------|
| Liabilities | | |
| Deposits | 175,291,979 | 175,435,192 |
| Call money | - | 10,945 |
| Policy reserves and others | 80,799,941 | 79,402,165 |
| Reserve for outstanding claims | 831,690 | 750,335 |
| Policy reserves | 77,745,490 | 76,481,627 |
| Reserve for policyholder dividends | 2,222,759 | 2,170,202 |
| Payables under securities lending transactions | 14,370,767 | 15,464,862 |
| Foreign exchanges | 249 | 401 |
| Other liabilities | 3,678,082 | 4,821,643 |
| Reserve for bonuses | 93,649 | 106,288 |
| Liability for retirement benefits | 2,884,827 | 3,134,077 |
| Reserve under the special laws | 614,233 | 668,603 |
| Reserve for price fluctuations | 614,233 | 668,603 |
| Deferred tax liabilities | 1,009,058 | 1,227,826 |
| Acceptances and guarantees | 115,000 | 115,000 |
| Total liabilities | 278,857,789 | 280,387,006 |
| Net assets | | |
| Capital stock | 3,500,000 | 3,500,000 |
| Capital surplus | 4,503,856 | 4,503,856 |
| Retained earnings | 2,967,703 | 2,884,384 |
| Total shareholders' equity | 10,971,559 | 10,888,240 |
| Net unrealized gains (losses) on available-for-sale securities | 2,750,463 | 3,324,272 |
| Net deferred gains (losses) on hedges | (596,892) | (653,184) |
| Foreign currency translation adjustments | 66 | 14 |
| Accumulated adjustments for retirement benefits | 261,879 | 247,412 |
| Total accumulated other comprehensive income | 2,415,517 | 2,918,515 |
| Non-controlling interests | 1,573 | 2,791 |
| Total net assets | 13,388,650 | 13,809,547 |
| Total liabilities and net assets | 292,246,440 | 294,196,553 |

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

(Millions of yen)

| | Six months ended September 30, 2013 | Six months ended September 30, 2014 |
|---|--|--|
| Ordinary income | 7,538,261 | 7,105,663 |
| Postal business income | 793,273 | 810,835 |
| Banking business income | 1,069,873 | 1,030,432 |
| Life insurance business income | 5,594,105 | 5,171,654 |
| Other ordinary income | 81,009 | 92,740 |
| Ordinary expenses | 7,028,447 | 6,586,878 |
| Operating expenses | 5,823,371 | 5,364,447 |
| Personnel expenses | 1,115,356 | 1,127,894 |
| Depreciation and amortization | 86,523 | 88,515 |
| Other ordinary expenses | 3,196 | 6,021 |
| Net ordinary income | 509,814 | 518,784 |
| Extraordinary gains | 758 | 6,681 |
| Gains on sales of fixed assets | 192 | 3,643 |
| Gains on negative goodwill | - | 2,667 |
| Compensation for transfer | 248 | 348 |
| Compensation income | 317 | - |
| Other extraordinary gains | 0 | 22 |
| Extraordinary losses | 45,561 | 63,420 |
| Losses on sales and disposal of fixed assets | 10,150 | 2,132 |
| Losses on impairment of fixed assets | 4,089 | 5,088 |
| Provision for reserve under the special laws | 29,748 | 54,370 |
| Provision for reserve for price fluctuations | 29,748 | 54,370 |
| Post office refurbishment expenses | - | 1,753 |
| Other extraordinary losses | 1,574 | 76 |
| Provision for reserve for policyholder dividends | 123,887 | 135,423 |
| Income before income taxes | 341,122 | 326,622 |
| Income taxes current | 183,818 | 183,552 |
| Income taxes deferred | (62,598) | (74,025) |
| Total income taxes | 121,220 | 109,526 |
| Net income | 219,902 | 217,095 |
| Net income (loss) attributable to non-controlling interests | 97 | (33) |
| Net income attributable to Japan Post Holdings | 219,805 | 217,129 |

Interim Consolidated Statements of Comprehensive Income

(Millions of yen)

| | Six months ended September 30, 2013 | Six months ended September 30, 2014 |
|--|--|--|
| Net income | 219,902 | 217,095 |
| Other comprehensive income | (37,017) | 502,998 |
| Net unrealized gains (losses) on available-for-sale securities | 52,200 | 573,808 |
| Net deferred gains (losses) on hedges | (89,218) | (56,292) |
| Foreign currency translation adjustments | - | (51) |
| Adjustments for retirement benefits | - | (14,467) |
| Share of other comprehensive income of affiliates | - | 1 |
| Comprehensive income | 182,885 | 720,094 |
| Total comprehensive income attributable to: | | |
| Japan Post Holdings | 182,787 | 720,128 |
| Non-controlling interests | 97 | (33) |

(3) Interim Consolidated Statements of Changes in Net Assets

Six months ended September 30, 2013

(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 period | | | | |
| Cash dividends | | | (38,550) | (38,550) |
| Net income attributable to Japan Post Holdings | | | 219,805 | 219,805 |
| Net changes in items other than shareholders' equity in the period | | | | |
| Net changes in the period | - | - | 181,255 | 181,255 |
| Balance at the end of the period | 3,500,000 | 4,503,856 | 2,708,437 | 10,712,293 |

| | 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 | 2,292,561 | (376,823) | 1,915,738 | 1,421 | 12,448,197 |
| Changes in the period | | | | | |
| Cash dividends | | | | | (38,550) |
| Net income attributable to Japan Post Holdings | | | | | 219,805 |
| Net changes in items other than shareholders' equity in the period | 52,200 | (89,218) | (37,017) | 97 | (36,920) |
| Net changes in the period | 52,200 | (89,218) | (37,017) | 97 | 144,335 |
| Balance at the end of the period | 2,344,762 | (466,041) | 1,878,720 | 1,518 | 12,592,532 |

Six months ended September 30, 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 | 2,967,703 | 10,971,559 |
| Cumulative effects of changes in accounting policies | | | (256,948) | (256,948) |
| Restated balance at the beginning of the fiscal year | 3,500,000 | 4,503,856 | 2,710,754 | 10,714,611 |
| Changes in the period | | | | |
| Cash dividends | | | (43,500) | (43,500) |
| Net income attributable to Japan Post Holdings | | | 217,129 | 217,129 |
| Net changes in items other than shareholders' equity in the period | | | | |
| Net changes in the period | - | - | 173,629 | 173,629 |
| Balance at the end of the period | 3,500,000 | 4,503,856 | 2,884,384 | 10,888,240 |

| | 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 | 2,750,463 | (596,892) | 66 | 261,879 | 2,415,517 | 1,573 | 13,388,650 |
| Cumulative effects of changes in accounting policies | | | | | | | (256,948) |
| Restated balance at the beginning of the fiscal year | 2,750,463 | (596,892) | 66 | 261,879 | 2,415,517 | 1,573 | 13,131,701 |
| Changes in the period | | | | | | | |
| Cash dividends | | | | | | | (43,500) |
| Net income attributable to Japan Post Holdings | | | | | | | 217,129 |
| Net changes in items other than shareholders' equity in the period | 573,809 | (56,292) | (51) | (14,467) | 502,998 | 1,217 | 504,216 |
| Net changes in the period | 573,809 | (56,292) | (51) | (14,467) | 502,998 | 1,217 | 677,845 |
| Balance at the end of the period | 3,324,272 | (653,184) | 14 | 247,412 | 2,918,515 | 2,791 | 13,809,547 |

(4) Interim Consolidated Statements of Cash Flows

(Millions of yen)

| | Six months ended September 30, 2013 | Six months ended September 30, 2014 |
|---|--|--|
| Cash flows from operating activities: | | |
| Income before income taxes | 341,122 | 326,622 |
| Depreciation and amortization | 86,523 | 88,515 |
| Losses on impairment of fixed assets | 4,089 | 5,088 |
| Equity in (earnings) losses of affiliates | 24 | 327 |
| Gains on negative goodwill | - | (2,667) |
| Net change in reserve for outstanding claims | (136,353) | (81,355) |
| Net change in policy reserves | (1,591,868) | (1,263,863) |
| Provision for interest on policyholder dividends | 3,033 | 675 |
| Provision for reserve for policyholder dividends | 123,887 | 135,423 |
| Net change in reserve for possible loan losses | 197 | (301) |
| Net change in reserve for bonuses | 819 | 12,573 |
| Net change in reserve for retirement benefits | (38,308) | - |
| Net change in liability for retirement benefits | - | (14,410) |
| Net change in reserve for price fluctuations | 29,748 | 54,370 |
| Interest and dividend income | (739,491) | (693,081) |
| Interest expenses | 2,476 | 2,124 |
| Interest income (accrual basis) | (920,640) | (949,448) |
| Interest expenses (accrual basis) | 181,370 | 176,372 |
| Net (gains) losses on securities | (2,828) | (38,401) |
| Net (gains) losses on money held in trust | (85,323) | (28,416) |
| Net (gains) losses on foreign exchanges | (97,350) | (172,237) |
| Net (gains) losses on sales and disposal of fixed assets | 9,936 | (1,525) |
| Net change in loans | 654,615 | 175,198 |
| Net change in deposits | 388,425 | 143,222 |
| Net change in negotiable certificates of deposit | 30,000 | (50,000) |
| Net change in call loans | 234,794 | (345,353) |
| Net change in receivables under securities borrowing transactions | (73,554) | (1,727,106) |
| Net change in call money | - | 10,945 |
| Net change in payables under securities lending transactions | 2,269,610 | 1,279,877 |
| Net change in foreign exchanges (assets) | (20,079) | (3,122) |
| Net change in foreign exchanges (liabilities) | 41 | 151 |
| Interest received (cash basis) | 1,015,956 | 1,023,838 |
| Interest paid (cash basis) | (98,560) | (97,946) |
| Other, net | (181,299) | (189,237) |
| Subtotal | 1,391,011 | (2,223,148) |
| Interest and dividend income received | 893,769 | 729,673 |
| Interest expenses paid | (2,403) | (2,154) |
| Policyholder dividends paid | (218,409) | (188,461) |
| Income taxes paid | (234,562) | (236,343) |
| Net cash provided by (used in) operating activities | 1,829,405 | (1,920,434) |

(Millions of yen)

| | Six months ended September 30, 2013 | Six months ended September 30, 2014 |
|---|--|--|
| Cash flows from investing activities: | | |
| Proceeds from withdrawal of time deposits | - | 749 |
| Purchases of call loans | (16,642,752) | (17,346,509) |
| Proceeds from redemption of call loans | 16,421,352 | 17,216,625 |
| Purchases of monetary claims bought | (1,818,828) | (1,603,641) |
| Proceeds from sale and redemption of monetary claims bought | 2,043,099 | 1,481,409 |
| Net change in receivables under securities borrowing transactions | 63,571 | 269,946 |
| Net change in payables under securities lending transactions | 1,175,054 | (185,782) |
| Purchases of securities | (28,968,059) | (14,304,368) |
| Proceeds from sale of securities | 1,669,794 | 1,280,846 |
| Proceeds from redemption of securities | 26,194,208 | 21,205,436 |
| Purchases of money held in trust | (134,900) | (350,000) |
| Proceeds from sale of money held in trust | 457,446 | 7,566 |
| Payments for loans | (833,861) | (672,125) |
| Proceeds from collection of loans | 1,946,659 | 1,209,849 |
| Purchases of tangible fixed assets | (29,024) | (86,206) |
| Proceeds from sale of tangible fixed assets | 862 | 6,248 |
| Purchases of intangible fixed assets | (45,285) | (46,693) |
| Purchases of stocks of subsidiaries and affiliates | - | (950) |
| Proceeds from purchases of stocks of subsidiaries resulting in change in scope of consolidation | - | 1,295 |
| Other, net | (135,595) | (24,582) |
| Net cash provided by investing activities | 1,363,741 | 8,059,112 |
| Cash flows from financing activities: | | |
| Proceeds from borrowings | 1,850 | 3,086 |
| Repayment of borrowings | (2,364) | (1,825) |
| Dividends paid | (38,550) | (43,500) |
| Dividends paid to non-controlling interests | - | (28) |
| Other, net | (909) | (497) |
| Net cash used in financing activities | (39,973) | (42,764) |
| Effect of exchange rate changes on cash and cash equivalents | 317 | 264 |
| Net change in cash and cash equivalents | 3,153,491 | 6,096,178 |
| Cash and cash equivalents at the beginning of the period | 10,370,394 | 21,529,671 |
| Cash and cash equivalents at the end of the period | 13,523,886 | 27,625,850 |

(5) Notes to Interim Consolidated Financial Statements

(Notes on Going-Concern Assumption)

None

4. Interim Non-consolidated Financial Statements

(1) Interim Non-consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2014 | As of September 30, 2014 |
|---------------------------------------|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 195,114 | 895,461 |
| Accounts receivable | 176,642 | 137,643 |
| Securities | - | 12,000 |
| Inventories | 615 | 539 |
| Short-term loan | 31,620 | 35,070 |
| Prepaid expenses | 69 | 474 |
| Others | 857 | 2,141 |
| Reserve for possible loan losses | (10) | (10) |
| Total current assets | 404,908 | 1,083,321 |
| Non-current assets | | |
| Tangible fixed assets | | |
| Buildings | 37,460 | 36,710 |
| Tools and fixtures | 5,083 | 3,734 |
| Land | 92,249 | 95,836 |
| Other | 2,108 | 2,143 |
| Total tangible fixed assets | 136,902 | 138,423 |
| Intangible fixed assets | 1,922 | 9,941 |
| Investments and other assets | | |
| Stocks of subsidiaries and affiliates | 9,195,299 | 8,495,299 |
| Long-term prepaid expenses | 84 | 75 |
| Claims in bankruptcy | 120 | 114 |
| Others | 1,011 | 1,019 |
| Reserve for possible loan losses | (120) | (114) |
| Total investments and other assets | 9,196,395 | 8,496,394 |
| Total non-current assets | 9,335,220 | 8,644,760 |
| Total assets | 9,740,129 | 9,728,081 |

(Millions of yen)

| | As of March 31, 2014 | As of September 30, 2014 |
|--|----------------------|--------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable | 19,026 | 11,063 |
| Income taxes payable | 152,891 | 91,652 |
| Consumption taxes payable | - | 140 |
| Accrued expenses | 3,169 | 2,904 |
| Reserve for bonuses | 1,746 | 2,034 |
| Reserve for point service program | 472 | 499 |
| Others | 1,093 | 924 |
| Total current liabilities | 178,399 | 109,219 |
| Long-term liabilities | | |
| Reserve for retirement benefits | 817,712 | 840,897 |
| Reserve for compensation for accidents in the course of duty | 22,550 | 22,079 |
| Others | 2,081 | 2,036 |
| Total long-term liabilities | 842,344 | 865,013 |
| Total liabilities | 1,020,744 | 974,232 |
| 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 | 715,528 | 749,992 |
| Total retained earnings | 715,528 | 749,992 |
| Total shareholders' equity | 8,719,384 | 8,753,848 |
| Total net assets | 8,719,384 | 8,753,848 |
| Total liabilities and net assets | 9,740,129 | 9,728,081 |

(2) Interim Non-consolidated Statements of Income

(Millions of yen)

| | Six months ended September 30, 2013 | Six months ended September 30, 2014 |
|--|--|--|
| Operating income | | |
| Commissions from subsidiaries and affiliates | 5,174 | 5,724 |
| Dividend income from subsidiaries and affiliates | 131,253 | 119,517 |
| Income from business consignment | 27,117 | 25,216 |
| Subsidy payment equivalent to deposit insurance premiums | 13,306 | 11,296 |
| Income from hospital business | 12,678 | 11,986 |
| Income from hotel business | 15,889 | 14,928 |
| Total operating income | 205,419 | 188,670 |
| Operating expenses | | |
| Expenses for business consignment | 25,998 | 23,754 |
| Expenses for hospital business | 15,171 | 15,007 |
| Expenses for hotel business | 16,316 | 16,509 |
| Administrative expenses | 10,701 | (1,648) |
| Total operating expenses | 68,186 | 53,622 |
| Net operating income | 137,233 | 135,047 |
| Other income | | |
| Rent income | 1,294 | 1,254 |
| Others | 247 | 343 |
| Total other income | 1,541 | 1,597 |
| Other expenses | | |
| Interest expenses | 3 | 1 |
| Rent expenses | 562 | 558 |
| Others | 130 | 115 |
| Total other expenses | 696 | 675 |
| Net ordinary income | 138,078 | 135,968 |
| Extraordinary gains | | |
| Gains on sales of fixed assets | 1 | 0 |
| Others | 0 | - |
| Total extraordinary gains | 2 | 0 |
| Extraordinary losses | | |
| Losses on sales and disposal of fixed assets | 10 | 617 |
| Losses on impairment of fixed assets | 1,683 | 1,573 |
| Total extraordinary losses | 1,694 | 2,190 |
| Income before income taxes | 136,386 | 133,779 |
| Income taxes current | (7,588) | (6,794) |
| Total income taxes | (7,588) | (6,794) |
| Net income | 143,975 | 140,573 |

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

Six months ended September 30, 2013

(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 period | | | | | | | |
| Cash dividends | | | | (38,550) | (38,550) | (38,550) | (38,550) |
| Net income | | | | 143,975 | 143,975 | 143,975 | 143,975 |
| Net changes of items other than shareholders' equity in the period | | | | | | | |
| Net changes in the period | - | - | - | 105,425 | 105,425 | 105,425 | 105,425 |
| Balance at the end of the period | 3,500,000 | 4,503,856 | 4,503,856 | 704,413 | 704,413 | 8,708,269 | 8,708,269 |

Six months ended September 30, 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 | 715,528 | 715,528 | 8,719,384 | 8,719,384 |
| Cumulative effects of changes in accounting policies | | | | (62,609) | (62,609) | (62,609) | (62,609) |
| Restated balance at the beginning of the fiscal year | 3,500,000 | 4,503,856 | 4,503,856 | 652,918 | 652,918 | 8,656,774 | 8,656,774 |
| Changes in the period | | | | | | | |
| Cash dividends | | | | (43,500) | (43,500) | (43,500) | (43,500) |
| Net income | | | | 140,573 | 140,573 | 140,573 | 140,573 |
| Net changes of items other than shareholders' equity in the period | | | | | | | |
| Net changes in the period | - | - | - | 97,073 | 97,073 | 97,073 | 97,073 |
| Balance at the end of the period | 3,500,000 | 4,503,856 | 4,503,856 | 749,992 | 749,992 | 8,753,848 | 8,753,848 |