

# Summary of Consolidated Financial Results for the Three Months Ended June 30, 2015



August 7, 2015

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 Trading accounts: Unestablished

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

## 1. Consolidated Financial Results for the Three Months Ended June 30, 2015 (April 1, 2015 to June 30, 2015)

(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	%
Three months ended June 30, 2015	3,446,514	(3.2)	242,704	(10.8)	142,639	1.6
Three months ended June 30, 2014	3,561,194	(5.6)	272,009	(6.3)	140,450	(13.3)

(Note) Comprehensive income: Three months ended June 30, 2015: ¥148,044 million [(51.6)%]

Three months ended June 30, 2014: ¥305,737 million [—%]

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2015	31.70	-
Three months ended June 30, 2014	31.21	-

(Note 1) Because there was no dilution, the amount for diluted net income per share is omitted.

(Note 2) The Company implemented a 30-for-1 common stock split effective August 1, 2015. Net income per share has been calculated assuming the stock split was implemented on April 1, 2014.

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio (Note)
	Million yen	Million yen	%
As of June 30, 2015	297,391,401	15,401,998	5.2
As of March 31, 2015	295,849,794	15,301,561	5.2

(Reference) Equity: As of June 30, 2015: ¥15,396,841 million

As of March 31, 2015: ¥15,298,833 million

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

**\* Notes:**

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

(2) Adoption of accounting method specific to preparation of interim consolidated financial statements: No

(3) 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.

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

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

June 30, 2015: 4,500,000,000 shares

March 31, 2015: 4,500,000,000 shares

(Note) The Company implemented a 30-for-1 common stock split effective August 1, 2015. Total number of shares issued (common stock) has been calculated assuming the stock split was implemented on April 1, 2014.

\* 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.

[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 of the 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 three months ended June 30, 2015 is as follows:

Company	Net income
Japan Post Holdings Co., Ltd.	¥216.3 billion
Japan Post Co., Ltd.	¥31.2 billion
Japan Post Bank Co., Ltd.	¥79.2 billion
Japan Post Insurance Co., Ltd.	¥23.2 billion

As a result of consolidating other subsidiaries and affiliates, net income attributable to Japan Post Holdings for the three months ended June 30, 2015 was ¥142.6 billion.

### (2) Explanation of Financial Position

Consolidated total assets were ¥297,391.4 billion, an increase of ¥1,541.6 billion from the end of the previous fiscal year. Assets included securities of ¥221,970.7 billion and loans of ¥12,665.7 billion.

Consolidated total liabilities were ¥281,989.4 billion, an increase of ¥1,441.1 billion from the end of the previous fiscal year. Liabilities included deposits of ¥177,067.9 billion and policy reserves of ¥77,102.2 billion.

Net assets increased ¥100.4 billion from ¥15,301.5 billion at the end of the previous fiscal year to ¥15,401.9 billion. Net assets included net unrealized gains on available-for-sale securities of ¥4,432.7 billion.

## 2. Matters Concerning Summary Information (Notes)

### (1) Changes in Significant Subsidiaries During the Period under Review

None.

Toll Holdings Limited and its subsidiaries have been included in the scope of consolidation from the three months ended June 30, 2015 due to the acquisition of their stock, although this change does not fall under changes in specified subsidiaries.

### (2) 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 three months ended June 30, 2015, the Company has adopted Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013; hereinafter referred to as the “Business Combinations Accounting Standard”), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013; hereinafter referred to as the “Consolidation Accounting Standard”), Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013; hereinafter referred to as the “Business Divestitures Accounting Standard”), and other pronouncements. Accordingly, the Company changed to the method where the Company records changes in the Company’s ownership interest in a subsidiary in the case where the Company retains control over the subsidiary as capital surplus, and records acquisition-related costs as expenses in the fiscal year of incurrence. With respect to business combinations to be implemented after the beginning of the three months ended June 30, 2015, the Company changed to the method where revisions to the allocation of acquisition costs due to finalizing amounts from the provisional accounting treatments are reflected in the interim consolidated financial statements for the period in which the business combination was carried out.

The Business Combinations Accounting Standard and other pronouncements are applied transitionally as provided for in Paragraph 58-2 (4) of the Business Combinations Accounting Standard, Paragraph 44-5 (4) of the Consolidation Accounting Standard and Paragraph 57-4 (4) of the Business Divestitures Accounting Standard, and are applied prospectively from the beginning of the three months ended June 30, 2015.

The effects of this change on net ordinary income and income before income taxes were immaterial.

## 3. Interim Consolidated Financial Statements

## (1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
<b>Assets</b>		
Cash and due from banks	36,406,491	37,510,283
Call loans	2,406,954	2,375,593
Receivables under securities borrowing transactions	11,094,941	11,118,964
Monetary claims bought	571,100	388,990
Trading account securities	104	156
Money held in trust	4,926,581	5,238,706
Securities	222,593,945	221,970,771
Loans	12,761,331	12,665,710
Foreign exchanges	49,332	14,348
Other assets	1,296,577	1,538,484
Tangible fixed assets	2,790,296	3,023,658
Intangible fixed assets	303,854	856,100
Asset for retirement benefits	10,653	10,625
Deferred tax assets	547,743	591,308
Customers' liabilities for acceptances and guarantees	95,000	95,000
Reserve for possible loan losses	(5,113)	(7,299)
<b>Total assets</b>	<b>295,849,794</b>	<b>297,391,401</b>

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
<b>Liabilities</b>		
Deposits	175,697,196	177,067,917
Call money	-	51,729
Policy reserves and others	77,905,677	77,102,239
Reserve for outstanding claims	718,156	694,997
Policy reserves	75,112,601	74,359,760
Reserve for policyholder dividends	2,074,919	2,047,482
Payables under securities lending transactions	17,228,691	18,577,177
Foreign exchanges	266	336
Other liabilities	5,091,074	4,594,603
Reserve for bonuses	93,528	34,879
Liability for retirement benefits	2,269,094	2,284,416
Reserve under the special laws	712,167	731,380
Reserve for price fluctuations	712,167	731,380
Deferred tax liabilities	1,455,537	1,449,722
Acceptances and guarantees	95,000	95,000
<b>Total liabilities</b>	<b>280,548,232</b>	<b>281,989,402</b>
<b>Net assets</b>		
Capital stock	3,500,000	3,500,000
Capital surplus	4,503,856	4,503,856
Retained earnings	3,149,937	3,242,599
<b>Total shareholders' equity</b>	<b>11,153,793</b>	<b>11,246,455</b>
Net unrealized gains (losses) on available-for-sale securities	4,389,261	4,432,767
Net deferred gains (losses) on hedges	(666,430)	(695,158)
Foreign currency translation adjustments	160	1,522
Accumulated adjustments for retirement benefits	422,048	411,253
<b>Total accumulated other comprehensive income</b>	<b>4,145,039</b>	<b>4,150,385</b>
Non-controlling interests	2,728	5,157
<b>Total net assets</b>	<b>15,301,561</b>	<b>15,401,998</b>
<b>Total liabilities and net assets</b>	<b>295,849,794</b>	<b>297,391,401</b>

(2) Interim Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
 Interim Consolidated Statements of Income  
 Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Ordinary income	3,561,194	3,446,514
Postal business income	414,598	433,554
Banking business income	508,549	482,368
Life insurance business income	2,592,684	2,473,101
Other ordinary income	45,361	57,489
Ordinary expenses	3,289,184	3,203,810
Operating expenses	2,684,131	2,582,434
Personnel expenses	560,722	573,393
Depreciation and amortization	42,303	46,436
Other ordinary expenses	2,026	1,545
Net ordinary income	272,009	242,704
Extraordinary gains	289	4,169
Gains on sales of fixed assets	13	525
Gains on negative goodwill	-	849
Compensation for transfer	271	458
Compensation income	-	20
Gains on transfer of business	-	2,315
Other extraordinary gains	4	-
Extraordinary losses	28,861	26,161
Losses on sales and disposal of fixed assets	694	1,367
Losses on impairment of fixed assets	19	60
Provision for reserve under the special laws	27,504	19,212
Provision for reserve for price fluctuations	27,504	19,212
Post office refurbishment expenses	643	5,520
Provision for reserve for policyholder dividends	66,546	56,371
Income before income taxes	176,890	164,341
Income taxes current	71,447	53,223
Income taxes deferred	(34,887)	(31,584)
Total income taxes	36,560	21,638
Net income	140,330	142,702
Net income (loss) attributable to non-controlling interests	(119)	63
Net income attributable to Japan Post Holdings	140,450	142,639



Interim Consolidated Statements of Comprehensive Income  
 Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Net income	140,330	142,702
Other comprehensive income	165,406	5,342
Net unrealized gains (losses) on available-for-sale securities	132,626	43,503
Net deferred gains (losses) on hedges	40,054	(28,728)
Foreign currency translation adjustments	(37)	1,362
Adjustments for retirement benefits	(7,235)	(10,794)
Share of other comprehensive income of affiliates	(0)	(1)
Comprehensive income	305,737	148,044
Total comprehensive income attributable to:		
Japan Post Holdings	305,857	147,985
Non-controlling interests	(119)	59

(3) Notes to Interim Consolidated Financial Statements

(Notes on Going-Concern Assumption)

None

(Notes to Significant Changes in Shareholders' Equity)

None

(Subsequent Events)

(Stock split)

The Company implemented a stock split effective August 1, 2015 as outlined below:

1) Method of split

The Company implemented a 30:1 stock split with July 31, 2015 as the record date for all shares of common stock held by shareholders listed in the final shareholder registry on the same date.

2) Increase in the number of shares due to the split

Common stock: 4,350,000,000 shares

## 4. Others

(Interim Non-consolidated Financial Statements)

## (1) Interim Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	277,553	401,849
Accounts receivable	139,560	58,932
Income taxes receivable	-	18,674
Others	45,697	102,916
Reserve for possible loan losses	(7)	(6)
Total current assets	462,804	582,367
Non-current assets		
Tangible fixed assets	138,001	155,737
Intangible fixed assets	9,010	9,997
Investments and other assets		
Stocks of subsidiaries and affiliates	8,502,299	8,502,299
Others	303	3,892
Reserve for possible loan losses	(89)	(89)
Allowance for investment loss	(5,152)	(5,152)
Total investments and other assets	8,497,360	8,500,949
Total non-current assets	8,644,373	8,666,684
<b>Total assets</b>	<b>9,107,178</b>	<b>9,249,051</b>

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
<b>Liabilities</b>		
Current liabilities		
Accounts payable	53,081	142,005
Income taxes payable	107,444	329
Others	9,248	7,900
Total current liabilities	169,775	150,235
Long-term liabilities		
Reserve for retirement benefits	167,507	162,898
Others	25,438	25,204
Total long-term liabilities	192,946	188,103
Total liabilities	362,721	338,339
Net assets		
Shareholders' equity		
Capital stock	3,500,000	3,500,000
Capital surplus	4,503,856	4,503,856
Retained earnings	740,600	906,856
Total shareholders' equity	8,744,456	8,910,712
Total net assets	8,744,456	8,910,712
Total liabilities and net assets	9,107,178	9,249,051

(2) Interim Non-consolidated Statements of Income  
Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Operating income	152,692	233,392
Operating expenses	28,017	19,242
Net operating income	124,675	214,150
Other income		
Rent income	635	649
Others	174	246
Total other income	809	896
Other expenses		
Rent expenses	270	286
Commissions paid	86	-
Others	6	42
Total other expenses	363	328
Net ordinary income	125,121	214,718
Extraordinary gains		
Gain on sales of fixed assets	0	103
Gains on transfer of business	-	2,315
Total extraordinary gains	0	2,418
Extraordinary losses		
Losses on sales and disposal of fixed assets	3	5
Share of post office refurbishment expenses	-	5,803
Total extraordinary losses	3	5,808
Income before income taxes	125,118	211,328
Income taxes current	(4,136)	(5,027)
Total income taxes	(4,136)	(5,027)
Net income	129,255	216,355