Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2015

November 13, 2015

Company name: Japan Post Holdings Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange
Code number: 6178
URL: http://www.japanpost.jp/
Representative: Taizo Nishimuro, President & CEO
(Representative Executive Officer)
Contact: Noboru Ichikura, Managing Executive Officer
Phone: +81-3-3504-9708

Scheduled date of filing interim securities report: November 27, 2015
Scheduled date of commencing dividend payments: —
Trading accounts: Unestablished
Availability of supplementary briefing material on interim financial results: Available
Schedule of interim financial results briefing session: Scheduled (for institutional investors and analysts)

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


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

<table>
<thead>
<tr>
<th></th>
<th>Ordinary income</th>
<th>Net ordinary income</th>
<th>Net income attributable to Japan Post Holdings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million yen</td>
<td>%</td>
<td>Million yen</td>
</tr>
<tr>
<td>Six months ended</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>September 30, 2015</td>
<td>7,035,001</td>
<td>(1.0)</td>
<td>473,378</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Six months ended</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>September 30, 2014</td>
<td>7,105,663</td>
<td>(5.7)</td>
<td>518,784</td>
</tr>
</tbody>
</table>

(Note) Comprehensive income: Six months ended September 30, 2015: ¥(484,088) million [–%]
Six months ended September 30, 2014: ¥720,094 million [293.7%]

<table>
<thead>
<tr>
<th></th>
<th>Net income per share</th>
<th>Diluted net income per share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yen</td>
<td>Yen</td>
</tr>
<tr>
<td>Six months ended</td>
<td></td>
<td></td>
</tr>
<tr>
<td>September 30, 2015</td>
<td>47.41</td>
<td>-</td>
</tr>
<tr>
<td>Six months ended</td>
<td></td>
<td></td>
</tr>
<tr>
<td>September 30, 2014</td>
<td>48.25</td>
<td>-</td>
</tr>
</tbody>
</table>

(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

<table>
<thead>
<tr>
<th></th>
<th>Total assets</th>
<th>Net assets</th>
<th>Equity ratio (Note)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million yen</td>
<td>Million yen</td>
<td>%</td>
</tr>
<tr>
<td>As of September 30, 2015</td>
<td>295,658,127</td>
<td>14,769,441</td>
<td>5.0</td>
</tr>
<tr>
<td>As of March 31, 2015</td>
<td>295,849,794</td>
<td>15,301,561</td>
<td>5.2</td>
</tr>
</tbody>
</table>

(Reference) Equity:
As of September 30, 2015: ¥14,764,610 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
2. Dividends

<table>
<thead>
<tr>
<th>Fiscal year ended March 31, 2015</th>
<th>Year-end</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yen</td>
<td>Yen</td>
<td>Yen</td>
</tr>
<tr>
<td>1st quarter-end</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2nd quarter-end</td>
<td>0.00</td>
<td>-</td>
</tr>
<tr>
<td>3rd quarter-end</td>
<td>-</td>
<td>334.00</td>
</tr>
<tr>
<td>Year-end</td>
<td>-</td>
<td>334.00</td>
</tr>
<tr>
<td>Total</td>
<td>0.00</td>
<td>334.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal year ending March 31, 2016 (Forecast)</th>
<th>Year-end</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yen</td>
<td>Yen</td>
<td>Yen</td>
</tr>
<tr>
<td>1st quarter-end</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2nd quarter-end</td>
<td>0.00</td>
<td>-</td>
</tr>
<tr>
<td>3rd quarter-end</td>
<td>-</td>
<td>23.00</td>
</tr>
<tr>
<td>Year-end</td>
<td>-</td>
<td>23.00</td>
</tr>
<tr>
<td>Total</td>
<td>0.00</td>
<td>23.00</td>
</tr>
</tbody>
</table>

(Note 1) Revision of dividends forecast to the latest announcement: None
(Note 2) The Company implemented a 30-for-1 common stock split effective August 1, 2015. For year-end dividend for the Fiscal Year Ending March 31, 2016 (forecast), the amount reflecting such stock split is indicated.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

<table>
<thead>
<tr>
<th>Fiscal year ending March 31, 2016</th>
<th>Ordinary income</th>
<th>Net ordinary income</th>
<th>Net income attributable to Japan Post Holdings</th>
<th>Net income per share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million yen</td>
<td>%</td>
<td>Million yen</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>14,210,000</td>
<td>(0.3)</td>
<td>860,000</td>
<td>(22.9)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>370,000</td>
<td>(23.3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>85.20</td>
</tr>
</tbody>
</table>

(Note 1) Revision of financial results forecast to the latest announcement: None
(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, 2015.

*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


(3) Total number of shares issued (common stock)
   1) Total number of shares issued at the end of the period (including treasury stock):
      September 30, 2015: 4,500,000,000 shares
      March 31, 2015: 4,500,000,000 shares
   2) Total number of treasury stock at the end of the period:
      September 30, 2015: - shares
      March 31, 2015: - shares
   3) Average number of shares during the period:
      Six months ended September 30, 2015: 4,500,000,000 shares
      Six months ended September 30, 2014: 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.
(Summary of non-consolidated financial statements)


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

<table>
<thead>
<tr>
<th>Operating income</th>
<th>Net operating income</th>
<th>Net ordinary income</th>
<th>Net income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Million yen</td>
<td>Million yen</td>
<td>Million yen</td>
<td>Million yen</td>
</tr>
<tr>
<td>Six months ended September 30, 2015</td>
<td>259,095</td>
<td>37.3</td>
<td>221,759</td>
</tr>
<tr>
<td>Six months ended September 30, 2014</td>
<td>188,670</td>
<td>(8.2)</td>
<td>135,047</td>
</tr>
</tbody>
</table>

**Net income per share**

<table>
<thead>
<tr>
<th></th>
<th>Yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Six months ended September 30, 2015</td>
<td>47.72</td>
</tr>
<tr>
<td>Six months ended September 30, 2014</td>
<td>31.24</td>
</tr>
</tbody>
</table>

(Note) 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) Non-consolidated Financial Position

<table>
<thead>
<tr>
<th>Total assets</th>
<th>Net assets</th>
<th>Equity ratio (Note)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Million yen</td>
<td>Million yen</td>
<td>%</td>
</tr>
<tr>
<td>As of September 30, 2015</td>
<td>9,189,653</td>
<td>8,909,091</td>
</tr>
<tr>
<td>As of March 31, 2015</td>
<td>9,107,178</td>
<td>8,744,456</td>
</tr>
</tbody>
</table>

(Reference) Equity: As of September 30, 2015: ¥8,909,091 million As of March 31, 2015: ¥8,744,456 million

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

* Explanation regarding the status of interim audit procedures

This summary of interim consolidated financial results is outside the scope of interim audit procedures based on the Financial Instruments and Exchange Act (the “Act”), and at the time of disclosure of these interim financial results, the interim audit procedures for the interim consolidated and non-consolidated financial statements based on the Act have not been completed.

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

1. 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, such as interest rate fluctuations, stock price fluctuations, foreign exchange fluctuations, asset value fluctuations, changes in economic and financial environment, changes in competition terms, the occurrence of large-scale disasters, etc. and changes in laws and regulations.

2. With regard to the acquisition of treasury stock, at the meeting of the Board of Directors held on October 19, 2015, the Company resolved to commission purchases through off-auction own share repurchase trading (ToSTNeT-3) at the Tokyo Stock Exchange for a maximum total number of 2,250,000,000 shares and a maximum total amount of ¥730,964,638,025 during the period from November 5, 2015 to March 31, 2016. Although the number of treasury stock to be acquired (assumed based on the offer price for the shares of the Company to be offered) has been taken into account for the calculation of the number of shares used as the basis in “3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)”, the actual number of treasury stock acquired may differ from the assumption.
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1. Qualitative Information on Interim Financial Results for the Period under Review

(1) Explanation of Results of Operations

Looking at the economic climate in Japan during the six months ended September 30, 2015, overall personal consumption was resilient as the economy continued to recover gradually due to factors such as improved corporate earnings. Despite the recovery trends in employment and income environment, consumer confidence appeared to have made no further headway.

Although the world economy continues to recover gradually, mainly in developed countries, there are concerns that the slowdown in Chinese economy may trigger a slump in growth in the emerging economies.

In the financial and capital markets, with regard to the yield rate on ten-year Japanese government bonds, although the yield rate rose to the mid-0.5% range in mid-June 2015 due to factors such as overseas long-term interest rates, the yield rate trended down subsequently and descended to the lower 0.3% range by late September 2015.

The Nikkei Stock Average continued its upward trend in response to anticipations of an improvement in the domestic economy and corporate earnings, rising almost up to ¥21,000 in late June 2015, but dropped significantly from mid-August due to the effects of a decline in stock prices worldwide lead by a slowdown in the Chinese economy, and proceeded mainly in the ¥17,000 range in late September.

Under such business environment, the consolidated financial results for the six months ended September 30, 2015 amounted to ordinary income of ¥7,035,001 million, net ordinary income of ¥473,378 million and net income attributable to Japan Post Holdings of ¥213,344 million, which comprises net ordinary income after adjusting for items including extraordinary gains due to sales of fixed assets, etc., extraordinary losses due to provision for reserve for price fluctuations under the Insurance Business Act, etc. and provision for reserve for policyholder dividends.

Financial results by segment are as follows. From the six months ended September 30, 2015, “International Logistics Business Segment” was added as new reportable segment.

(Postal and Domestic Logistics Business Segment)

In the postal and domestic logistics business during the six months ended September 30, 2015, volume of Yu-Pack handled increased due to expansion of e-commerce market and the strengthened sales activities for small and medium-sized businesses and international parcel including EMS and international parcels for China increased. In addition, ordinary income amounted to ¥886,304 million due to efforts including expansion of new services such as Smart Letter.

Meanwhile, ordinary expenses amounted to ¥918,948 million mainly due to an improvement of productivity in pick-up and delivery services, despite negative factors including an increase in unit personnel expenses associated with increasing volume of Yu-Pack and EMS handled. As a result, net ordinary loss amounted to ¥32,643 million.

Operating income and net operating loss for the six months ended September 30, 2015 for the postal and domestic logistics business of Japan Post Co., Ltd. amounted to ¥868,174 million and ¥46,365 million, respectively.

With regard to the volume of items handled for the six months ended September 30, 2015, the volume of mail handled increased by 0.4% year-on-year to 7,743.87 million, the volume of Yu-Mail parcels handled increased by 5.6% year-on-year to 1,680.43 million and the volume of Yu-Pack parcels handled increased by 7.7% year-on-year to 247.47 million.

(International Logistics Business Segment)

Toll Holdings Limited (hereinafter referred to as the “Toll”) and its subsidiaries have been incorporated into international logistics business of the Japan Post Group, and financial results of Toll have been included in the consolidated figures of Japan Post Group from July 2015.

Toll is an international logistics provider with a strong operating base in Australia that engages in the forwarding business and third-party logistics (contract logistics) in the Asia Pacific region. The Japan Post
Group has positioned Toll as the platform for global expansion of the Group and will promote growth of the international logistics business by taking full advantage of the knowledge and experience of Toll.

In the international logistics business during the six months ended September 30, 2015, ordinary income amounted to ¥191,612 million and net ordinary income amounted to ¥6,795 million under the weak business environment in Australia.

Operating income and net operating income for the six months ended September 30, 2015 for the international logistics business of Japan Post Co., Ltd. amounted to ¥191,471 million and ¥8,061 million, respectively.

(Post Office Business Segment)

In the post office business during the six months ended September 30, 2015, commissions for banking business consignment and life insurance business consignment increased as a result of promoting the operating initiatives in cooperation with Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd., catalog sales as part of merchandising business increased, earnings from the development of real estate business increased and third-party financial product agency services improved mainly due to the expansion of the scope of post offices handling cancer insurance. As a result, ordinary income amounted to ¥676,350 million.

On the other hand, ordinary expenses amounted to ¥652,956 million due to an increase in salaries and allowances, legal welfare expenses and costs of sales. As a result, net ordinary income amounted to ¥23,393 million.

Operating income and net operating income for the six months ended September 30, 2015 for the post office business of Japan Post Co., Ltd. amounted to ¥666,324 million and ¥21,684 million, respectively.

(Banking Business Segment)

In the banking business during the six months ended September 30, 2015, deposit balance amounted to ¥1,771,131,058 million. Ordinary income amounted to ¥987,184 million due to a decrease in net interest income under the adverse business environment with the prolonged period of historically low interest rates. Of ordinary income, interest income, comprised mainly of interest and dividends on securities, amounted to ¥881,872 million, and fees and commissions amounted to ¥63,127 million.

On the other hand, ordinary expenses amounted to ¥735,459 million mainly due to the effects of the reduction in the deposit insurance premium rate. Of ordinary expenses, interest expenses and general and administrative expenses amounted to ¥187,003 million and ¥530,592 million, respectively.

As a result of the above, net ordinary income amounted to ¥251,724 million.

(Life Insurance Business Segment)

In the life insurance business during the six months ended September 30, 2015, 1,171 thousand new individual insurance policies with a policy amount of ¥3,522,466 million and 37 thousand new individual annuity policies with a policy amount of ¥133,030 million were acquired.

Ordinary income amounted to ¥4,881,336 million. Of ordinary income, insurance premiums and others was ¥2,746,776 million, and investment income was ¥688,854 million.

Meanwhile, ordinary expenses amounted to ¥4,662,549 million. Of ordinary expenses, insurance claims and others amounted to ¥4,349,885 million, provision for policy reserves and others amounted to ¥182 million and investment expenses amounted to ¥4,263 million.

As a result of the above, net ordinary income amounted to ¥218,787 million.

(2) Explanation of Financial Position

1) Assets

Consolidated total assets were ¥295,658,127 million, a decrease of ¥191,667 million from the end of the previous fiscal year.

Major factors include an increase in cash and due from banks of ¥5,675,930 million, an increase in goodwill
of ¥462,704 million, an increase in money held in trust at the banking business and life insurance business of ¥262,122 million, as well as a decrease in securities mainly in the banking business and life insurance business of ¥6,513,582 million.

2) Liabilities
Consolidated total liabilities were ¥280,888,685 million, an increase of ¥340,452 million from the end of the previous fiscal year.

Major factors include an increase in deposits in the banking business of ¥211,521 million and an increase in payables under securities lending transactions in the banking business and life insurance business of ¥2,238,415 million, as well as a decrease in policy reserves in the life insurance business of ¥1,412,887 million.

3) Net Assets
Consolidated total net assets were ¥14,769,441 million, a decrease of ¥532,119 million from the end of the previous fiscal year.

Major factors include an increase in retained earnings of ¥163,367 million, as well as a decrease in net unrealized gains on available-for-sale securities mainly in the banking business and life insurance business of ¥653,346 million.

(3) Explanation of Consolidated Financial Results Forecast and Other Future Projections
The consolidated financial results forecast for the fiscal year ending March 31, 2016 remains unchanged from the full year forecast in “Notice Concerning Consolidated Financial Results Information, etc. Following the Listing on the First Section of the Tokyo Stock Exchange” announced on November 4, 2015.

The financial results forecast was prepared based on information available as of the release date of the notice. Actual financial results may differ from these forecasts due to various factors.

2. Matters Concerning Summary Information (Notes)

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

Effective from the six months ended September 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 six months ended September 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 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)

<table>
<thead>
<tr>
<th></th>
<th>As of March 31, 2015</th>
<th>As of September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and due from banks</td>
<td>36,406,491</td>
<td>42,082,422</td>
</tr>
<tr>
<td>Call loans</td>
<td>2,406,954</td>
<td>2,507,200</td>
</tr>
<tr>
<td>Receivables under securities borrowing transactions</td>
<td>11,094,941</td>
<td>11,114,698</td>
</tr>
<tr>
<td>Monetary claims bought</td>
<td>571,100</td>
<td>532,180</td>
</tr>
<tr>
<td>Trading account securities</td>
<td>104</td>
<td>173</td>
</tr>
<tr>
<td>Money held in trust</td>
<td>4,926,581</td>
<td>5,188,704</td>
</tr>
<tr>
<td>Securities</td>
<td>222,593,945</td>
<td>216,080,362</td>
</tr>
<tr>
<td>Loans</td>
<td>12,761,331</td>
<td>12,057,451</td>
</tr>
<tr>
<td>Foreign exchanges</td>
<td>49,332</td>
<td>16,118</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,296,577</td>
<td>1,511,435</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>2,790,296</td>
<td>3,007,581</td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td>303,854</td>
<td>797,191</td>
</tr>
<tr>
<td>Asset for retirement benefits</td>
<td>10,653</td>
<td>10,449</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>547,743</td>
<td>664,217</td>
</tr>
<tr>
<td>Customers’ liabilities for acceptances and guarantees</td>
<td>95,000</td>
<td>95,000</td>
</tr>
<tr>
<td>Reserve for possible loan losses</td>
<td>(5,113)</td>
<td>(7,059)</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>295,849,794</strong></td>
<td><strong>295,658,127</strong></td>
</tr>
<tr>
<td>Liabilities</td>
<td>As of March 31, 2015</td>
<td>As of September 30, 2015</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>----------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Deposits</td>
<td>175,697,196</td>
<td>175,908,718</td>
</tr>
<tr>
<td>Call money</td>
<td>-</td>
<td>46,267</td>
</tr>
<tr>
<td>Policy reserves and others</td>
<td>77,905,677</td>
<td>76,420,197</td>
</tr>
<tr>
<td>Reserve for outstanding claims</td>
<td>718,156</td>
<td>687,233</td>
</tr>
<tr>
<td>Policy reserves</td>
<td>75,112,601</td>
<td>73,699,714</td>
</tr>
<tr>
<td>Reserve for policyholder dividends</td>
<td>2,074,919</td>
<td>2,033,249</td>
</tr>
<tr>
<td>Payables under securities lending transactions</td>
<td>17,228,691</td>
<td>19,467,106</td>
</tr>
<tr>
<td>Foreign exchanges</td>
<td>266</td>
<td>346</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>5,091,074</td>
<td>4,449,242</td>
</tr>
<tr>
<td>Reserve for bonuses</td>
<td>93,528</td>
<td>126,197</td>
</tr>
<tr>
<td>Liability for retirement benefits</td>
<td>2,269,094</td>
<td>2,284,198</td>
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<tr>
<td>Reserve under the special laws</td>
<td>712,167</td>
<td>742,556</td>
</tr>
<tr>
<td>Reserve for price fluctuations</td>
<td>712,167</td>
<td>742,556</td>
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<tr>
<td>Deferred tax liabilities</td>
<td>1,455,537</td>
<td>1,348,854</td>
</tr>
<tr>
<td>Acceptances and guarantees</td>
<td>95,000</td>
<td>95,000</td>
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<td>Total liabilities</td>
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<td>280,888,685</td>
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<tr>
<td>Net assets</td>
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<td></td>
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<tr>
<td>Capital stock</td>
<td>3,500,000</td>
<td>3,500,000</td>
</tr>
<tr>
<td>Capital surplus</td>
<td>4,503,856</td>
<td>4,503,856</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>3,149,937</td>
<td>3,313,304</td>
</tr>
<tr>
<td>Total shareholders' equity</td>
<td>11,153,793</td>
<td>11,317,160</td>
</tr>
<tr>
<td>Net unrealized gains (losses) on available-for-sale securities</td>
<td>4,389,261</td>
<td>3,735,914</td>
</tr>
<tr>
<td>Net deferred gains (losses) on hedges</td>
<td>(666,430)</td>
<td>(612,381)</td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>160</td>
<td>(76,122)</td>
</tr>
<tr>
<td>Accumulated adjustments for retirement benefits</td>
<td>422,048</td>
<td>400,404</td>
</tr>
<tr>
<td>Total accumulated other comprehensive income</td>
<td>4,145,039</td>
<td>3,447,450</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>2,728</td>
<td>4,830</td>
</tr>
<tr>
<td>Total net assets</td>
<td>15,301,561</td>
<td>14,769,441</td>
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<tr>
<td>Total liabilities and net assets</td>
<td>295,849,794</td>
<td>295,658,127</td>
</tr>
</tbody>
</table>
## Interim Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### Six months ended September 30

(Millions of yen)

<table>
<thead>
<tr>
<th></th>
<th>Six months ended September 30, 2014</th>
<th>Six months ended September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ordinary income</strong></td>
<td>7,105,663</td>
<td>7,035,001</td>
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<tr>
<td>Postal business income</td>
<td>810,835</td>
<td>1,037,756</td>
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<tr>
<td>Banking business income</td>
<td>1,030,432</td>
<td>986,491</td>
</tr>
<tr>
<td>Life insurance business income</td>
<td>5,171,654</td>
<td>4,881,287</td>
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<tr>
<td>Other ordinary income</td>
<td>92,740</td>
<td>129,465</td>
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<tr>
<td><strong>Ordinary expenses</strong></td>
<td>6,586,878</td>
<td>6,561,622</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>5,364,447</td>
<td>5,235,415</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>1,127,894</td>
<td>1,221,279</td>
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<tr>
<td>Depreciation and amortization</td>
<td>88,515</td>
<td>99,941</td>
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<tr>
<td>Other ordinary expenses</td>
<td>6,021</td>
<td>4,985</td>
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<tr>
<td><strong>Net ordinary income</strong></td>
<td>518,784</td>
<td>473,378</td>
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<tr>
<td><strong>Extraordinary gains</strong></td>
<td>6,681</td>
<td>5,227</td>
</tr>
<tr>
<td>Gains on sales of fixed assets</td>
<td>3,643</td>
<td>819</td>
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<tr>
<td>Gains on negative goodwill</td>
<td>2,667</td>
<td>849</td>
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<tr>
<td>Compensation for transfer</td>
<td>348</td>
<td>490</td>
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<td>Compensation income</td>
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<td>20</td>
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<tr>
<td>Gains on transfer of business</td>
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<tr>
<td>Other extraordinary gains</td>
<td>22</td>
<td>731</td>
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<tr>
<td><strong>Extraordinary losses</strong></td>
<td>63,420</td>
<td>51,449</td>
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<tr>
<td>Losses on sales and disposal of fixed assets</td>
<td>2,132</td>
<td>3,227</td>
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<tr>
<td>Losses on impairment of fixed assets</td>
<td>5,088</td>
<td>4,572</td>
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<tr>
<td>Provision for reserve under the special laws</td>
<td>54,370</td>
<td>30,388</td>
</tr>
<tr>
<td>Provision for reserve for price fluctuations</td>
<td>54,370</td>
<td>30,388</td>
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<tr>
<td>Post office refurbishment expenses</td>
<td>1,753</td>
<td>13,254</td>
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<tr>
<td>Other extraordinary losses</td>
<td>76</td>
<td>6</td>
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<tr>
<td>Provision for reserve for policyholder dividends</td>
<td>135,423</td>
<td>119,559</td>
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<td><strong>Income before income taxes</strong></td>
<td>326,622</td>
<td>307,596</td>
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<td>Income taxes current</td>
<td>183,552</td>
<td>161,410</td>
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<tr>
<td>Income taxes deferred</td>
<td>(74,025)</td>
<td>(67,498)</td>
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<tr>
<td><strong>Total income taxes</strong></td>
<td>109,526</td>
<td>93,912</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>217,095</td>
<td>213,683</td>
</tr>
<tr>
<td>Net income (loss) attributable to non-controlling interests</td>
<td>(33)</td>
<td>339</td>
</tr>
<tr>
<td><strong>Net income attributable to Japan Post Holdings</strong></td>
<td>217,129</td>
<td>213,344</td>
</tr>
</tbody>
</table>
## Interim Consolidated Statements of Comprehensive Income

Six months ended September 30

<table>
<thead>
<tr>
<th></th>
<th>Six months ended September 30, 2014</th>
<th>Six months ended September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>217,095</td>
<td>213,683</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>502,998</td>
<td>(697,771)</td>
</tr>
<tr>
<td>Net unrealized gains (losses) on available-for-sale securities</td>
<td>573,808</td>
<td>(653,348)</td>
</tr>
<tr>
<td>Net deferred gains (losses) on hedges</td>
<td>(56,292)</td>
<td>54,048</td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>(51)</td>
<td>(76,461)</td>
</tr>
<tr>
<td>Adjustments for retirement benefits</td>
<td>(14,467)</td>
<td>(22,007)</td>
</tr>
<tr>
<td>Share of other comprehensive income of affiliates</td>
<td>1</td>
<td>(2)</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>720,094</td>
<td>(484,088)</td>
</tr>
</tbody>
</table>

Total comprehensive income attributable to:

<table>
<thead>
<tr>
<th></th>
<th>Japan Post Holdings</th>
<th>Non-controlling interests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan Post Holdings</td>
<td>720,128</td>
<td>(33)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(484,245)</td>
<td>156</td>
</tr>
</tbody>
</table>
(3) Interim Consolidated Statements of Changes in Net Assets

Six month ended September 30, 2014

(Millions of yen)

<table>
<thead>
<tr>
<th>Shareholders’ equity</th>
<th>Capital stock</th>
<th>Capital surplus</th>
<th>Retained earnings</th>
<th>Total shareholders’ equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the</td>
<td>3,500,000</td>
<td>4,503,856</td>
<td>2,967,703</td>
<td>10,971,559</td>
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<tr>
<td>beginning of the</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>fiscal year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative effects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of changes in</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>accounting policies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restated balance at</td>
<td>3,500,000</td>
<td>4,503,856</td>
<td>2,710,754</td>
<td>10,714,611</td>
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<tr>
<td>the beginning of the</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>fiscal year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in the</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>period</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash dividends</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>attributable to Japan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post Holdings</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Increase due to</td>
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<td></td>
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</tr>
<tr>
<td>merger between</td>
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<tr>
<td>consolidated and</td>
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<td></td>
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</tr>
<tr>
<td>unconsolidated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>subsidiaries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net changes in items</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>other than</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>shareholders’ equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in the period</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net changes in the</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>period</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the</td>
<td>3,500,000</td>
<td>4,503,856</td>
<td>2,884,384</td>
<td>10,888,240</td>
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<tr>
<td>end of the period</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Accumulated other comprehensive income</th>
<th>Net unrealized gains (losses) on available-for-sale securities</th>
<th>Net deferred gains (losses) on hedges</th>
<th>Foreign currency translation adjustments</th>
<th>Accumulated adjustments for retirement benefits</th>
<th>Total accumulated other comprehensive income</th>
<th>Non-controlling interests</th>
<th>Total net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the fiscal year</td>
<td>2,750,463</td>
<td>(596,892)</td>
<td>66</td>
<td>261,879</td>
<td>2,415,517</td>
<td>1,573</td>
<td>13,388,650</td>
</tr>
<tr>
<td>Cumulative effects of changes in</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(256,948)</td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restated balance at the</td>
<td>2,750,463</td>
<td>(596,892)</td>
<td>66</td>
<td>261,879</td>
<td>2,415,517</td>
<td>1,573</td>
<td>13,131,701</td>
</tr>
<tr>
<td>beginning of the fiscal year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in the period</td>
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<td></td>
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<tr>
<td>Cash dividends</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>(43,500)</td>
<td></td>
</tr>
<tr>
<td>Net income attributable to Japan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>217,129</td>
<td></td>
</tr>
<tr>
<td>Post Holdings</td>
<td></td>
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</tr>
<tr>
<td>Increase due to merger between</td>
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<td>-</td>
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<tr>
<td>consolidated and unconsolidated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>subsidiaries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net changes in items other than</td>
<td>573,809</td>
<td>(56,292)</td>
<td>(51)</td>
<td>(14,467)</td>
<td>502,998</td>
<td>1,217</td>
<td>504,216</td>
</tr>
<tr>
<td>shareholders’ equity in the period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net changes in the period</td>
<td>573,809</td>
<td>(56,292)</td>
<td>(51)</td>
<td>(14,467)</td>
<td>502,998</td>
<td>1,217</td>
<td>677,845</td>
</tr>
<tr>
<td>Balance at the end of the period</td>
<td>3,324,272</td>
<td>(653,184)</td>
<td>14</td>
<td>247,412</td>
<td>2,918,515</td>
<td>2,791</td>
<td>13,809,547</td>
</tr>
</tbody>
</table>
## Shareholders’ equity

<table>
<thead>
<tr>
<th></th>
<th>Capital stock</th>
<th>Capital surplus</th>
<th>Retained earnings</th>
<th>Total shareholders’ equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the fiscal year</td>
<td>3,500,000</td>
<td>4,503,856</td>
<td>3,149,937</td>
<td>11,153,793</td>
</tr>
<tr>
<td>Cumulative effects of changes in accounting policies</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Restated balance at the beginning of the fiscal year</td>
<td>3,500,000</td>
<td>4,503,856</td>
<td>3,149,937</td>
<td>11,153,793</td>
</tr>
<tr>
<td>Changes in the period</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash dividends</td>
<td>(50,100)</td>
<td>(50,100)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income attributable to Japan Post Holdings</td>
<td>213,344</td>
<td></td>
<td></td>
<td>213,344</td>
</tr>
<tr>
<td>Increase due to merger between consolidated and unconsolidated subsidiaries</td>
<td>122</td>
<td></td>
<td></td>
<td>122</td>
</tr>
<tr>
<td>Net changes in items other than shareholders’ equity in the period</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net changes in the period</td>
<td>-</td>
<td>-</td>
<td>163,367</td>
<td>163,367</td>
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<tr>
<td>Balance at the end of the period</td>
<td>3,500,000</td>
<td>4,503,856</td>
<td>3,313,304</td>
<td>11,317,160</td>
</tr>
</tbody>
</table>

## Accumulated other comprehensive income

<table>
<thead>
<tr>
<th></th>
<th>Net unrealized gains (losses) on available-for-sale securities</th>
<th>Net deferred gains (losses) on hedges</th>
<th>Foreign currency translation adjustments</th>
<th>Accumulated adjustments for retirement benefits</th>
<th>Total accumulated other comprehensive income</th>
<th>Non-controlling interests</th>
<th>Total net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the fiscal year</td>
<td>4,389,261</td>
<td>(666,430)</td>
<td>160</td>
<td>422,048</td>
<td>4,145,039</td>
<td>2,728</td>
<td>15,301,561</td>
</tr>
<tr>
<td>Cumulative effects of changes in accounting policies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Restated balance at the beginning of the fiscal year</td>
<td>4,389,261</td>
<td>(666,430)</td>
<td>160</td>
<td>422,048</td>
<td>4,145,039</td>
<td>2,728</td>
<td>15,301,561</td>
</tr>
<tr>
<td>Changes in the period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash dividends</td>
<td>(50,100)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(50,100)</td>
</tr>
<tr>
<td>Net income attributable to Japan Post Holdings</td>
<td>213,344</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>213,344</td>
</tr>
<tr>
<td>Increase due to merger between consolidated and unconsolidated subsidiaries</td>
<td>122</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>122</td>
</tr>
<tr>
<td>Net changes in items other than shareholders’ equity in the period</td>
<td>(653,346)</td>
<td>54,048</td>
<td>(76,283)</td>
<td>(22,007)</td>
<td>(697,589)</td>
<td>2,102</td>
<td>(695,487)</td>
</tr>
<tr>
<td>Net changes in the period</td>
<td>(653,346)</td>
<td>54,048</td>
<td>(76,283)</td>
<td>(22,007)</td>
<td>(697,589)</td>
<td>2,102</td>
<td>(532,119)</td>
</tr>
<tr>
<td>Balance at the end of the period</td>
<td>3,735,914</td>
<td>(612,381)</td>
<td>(76,122)</td>
<td>400,040</td>
<td>3,447,450</td>
<td>4,830</td>
<td>14,769,441</td>
</tr>
</tbody>
</table>
(4) Notes to Interim Consolidated Financial Statements
(Notes on Going-Concern Assumption)

None

(Segment Information)

1. Income and segment profit (loss) of reportable segments

Six months ended September 30, 2014

<table>
<thead>
<tr>
<th>Reportable Segments</th>
<th>Postal and logistics business</th>
<th>International logistics business</th>
<th>Post office business</th>
<th>Banking business</th>
<th>Life insurance business</th>
<th>Subtotal</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from third parties</td>
<td>812,848</td>
<td>-</td>
<td>62,554</td>
<td>1,030,432</td>
<td>5,171,654</td>
<td>7,077,490</td>
<td>28,173</td>
<td>7,105,663</td>
</tr>
<tr>
<td>Intersegment income</td>
<td>26,809</td>
<td>-</td>
<td>576,887</td>
<td>557</td>
<td>53</td>
<td>604,307</td>
<td>179,725</td>
<td>784,032</td>
</tr>
<tr>
<td>Total</td>
<td>839,658</td>
<td>-</td>
<td>639,441</td>
<td>1,080,989</td>
<td>5,171,707</td>
<td>7,681,797</td>
<td>207,898</td>
<td>7,889,695</td>
</tr>
<tr>
<td>Segment profit (loss)</td>
<td>(48,042)</td>
<td>-</td>
<td>14,008</td>
<td>273,033</td>
<td>263,501</td>
<td>502,501</td>
<td>135,937</td>
<td>638,438</td>
</tr>
</tbody>
</table>

(Notes)
1. Income is presented instead of net sales, which is the typical method of presentation for companies in other industries.
2. Other business includes the hotel business and hospital business. Segment profit in other business includes dividend income from subsidiaries and affiliates recorded by the Company in the amount of ¥119,517 million.
3. Beginning with the three months ended September 30, 2015, we renamed postal and logistics segment as the “postal and domestic logistics segment”.

Six months ended September 30, 2015

<table>
<thead>
<tr>
<th>Reportable Segments</th>
<th>Postal and domestic logistics business</th>
<th>International logistics business</th>
<th>Post office business</th>
<th>Banking business</th>
<th>Life insurance business</th>
<th>Subtotal</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from third parties</td>
<td>859,301</td>
<td>191,612</td>
<td>85,501</td>
<td>986,491</td>
<td>4,881,287</td>
<td>7,004,194</td>
<td>29,085</td>
<td>7,033,280</td>
</tr>
<tr>
<td>Intersegment income</td>
<td>27,003</td>
<td>-</td>
<td>590,849</td>
<td>692</td>
<td>48</td>
<td>618,594</td>
<td>255,762</td>
<td>874,356</td>
</tr>
<tr>
<td>Total</td>
<td>886,304</td>
<td>191,612</td>
<td>676,350</td>
<td>987,184</td>
<td>4,881,336</td>
<td>7,622,789</td>
<td>284,848</td>
<td>7,907,637</td>
</tr>
<tr>
<td>Segment profit (loss)</td>
<td>(32,643)</td>
<td>6,795</td>
<td>23,393</td>
<td>251,724</td>
<td>218,787</td>
<td>468,056</td>
<td>225,032</td>
<td>693,089</td>
</tr>
</tbody>
</table>

(Notes)
1. Income is presented instead of net sales, which is the typical method of presentation for companies in other industries.
2. Other business includes the hotel business and hospital business. Segment profit in other business includes dividend income from subsidiaries and affiliates recorded by the Company in the amount of ¥209,245 million.
2. Reconciliation of amounts reported on reportable segments and interim consolidated financial statements
(1) Reconciliation between total income of reportable segments and ordinary income on the interim consolidated statements of income

<table>
<thead>
<tr>
<th>(Millions of yen)</th>
<th>Six months ended September 30, 2014</th>
<th>Six months ended September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income of reportable segments</td>
<td>7,681,797</td>
<td>7,622,789</td>
</tr>
<tr>
<td>Income of other business</td>
<td>207,898</td>
<td>284,848</td>
</tr>
<tr>
<td>Eliminations of intersegment transactions</td>
<td>(784,032)</td>
<td>(874,356)</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-</td>
<td>1,721</td>
</tr>
<tr>
<td>Ordinary income on the interim consolidated statements of income</td>
<td>7,105,663</td>
<td>7,035,001</td>
</tr>
</tbody>
</table>

(Notes) 1. Income is presented instead of net sales, which is the typical method of presentation for companies in other industries.
   2. “Adjustments” are due to differences in the calculation methods used for ordinary income for the international logistics business segment and the interim consolidated statements of income.

(2) Reconciliations between total segment profit of reportable segments and net ordinary income on the interim consolidated statements of income

<table>
<thead>
<tr>
<th>(Millions of yen)</th>
<th>Six months ended September 30, 2014</th>
<th>Six months ended September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total segment profit of reportable segments</td>
<td>502,501</td>
<td>468,056</td>
</tr>
<tr>
<td>Segment profit in other business</td>
<td>135,937</td>
<td>225,032</td>
</tr>
<tr>
<td>Eliminations of intersegment transactions</td>
<td>(119,653)</td>
<td>(211,983)</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-</td>
<td>(7,727)</td>
</tr>
<tr>
<td>Net ordinary income on the interim consolidated statements of income</td>
<td>518,784</td>
<td>473,378</td>
</tr>
</tbody>
</table>

(Note) “Adjustments” are due to amortization of goodwill of ¥(6,141) million recognized in the international logistics business segment and other items.

(Subsequent Events)
(Sale of stocks of subsidiaries)

The Company sold a portion of its equity interest in Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. (hereinafter “two financial companies”) as outlined below:

1. Reasons for the sale of stocks

   Under the Postal Service Privatization Act, the Company is required to dispose of its entire equity interest in the two financial companies within at the earliest possible timeframe, in light of the condition of businesses of both companies and impact on fulfilling its obligation to provide universal services. In addition, the Japanese government is required to retain such portion of its equity interest in the Company that exceeds one-third of its total equity interest and dispose of the remainder within the earliest possible timeframe.

   Furthermore, under the Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake, in order to secure financial resources for redemption costs for reconstruction bonds, the Japanese government is required to complete such disposal within the earliest possible timeframe, in a manner determined based upon consideration of potential methods for such disposal, in light of management condition and financial outlook of the Company, among other factors.

   In addition to these legal requirements, upon comprehensive consideration of factors such as the need for
early disposal of the shares of the two financial companies in order to ensure the freedom of management of the companies and the reflection of the share value of the two financial companies to ensure transparency, it has been determined that it is best to simultaneously list shares of all three companies. As such, the shares of the two financial companies have been arranged to simultaneously be offered and listed in line with the offering and listing of stocks of the Company by the Japanese government.

In line with the objective of the Postal Service Privatization Act mentioned above, the Company will begin with selling in stages the equity interest in the two financial companies after the listing up to the point its shareholdings ratio is down to the 50% level in view of allowing for greater freedom of management of the two financial companies as well as the realization of the Group’s unity and collective strength.

2. Timing of the sale
   November 4, 2015

3. Business descriptions of the subsidiaries and details of their transactions with the Company
   (1) Japan Post Bank Co., Ltd.
      Business description: Banking business
      Details of transactions with the Company: Payment of subsidies to the Company in accordance with Article 122 of the Postal Service Privatization Act, payment of brand royalty fees to the Company, and others
   (2) Japan Post Insurance Co., Ltd.
      Business description: Life insurance business
      Details of transactions with the Company: Payment of brand royalty fees to the Company, and others

4. Number of stocks to be sold, selling price, impact of the sale, and equity interest after the sale
   (1) Japan Post Bank Co., Ltd.
      Number of stocks to be sold: 412,442,300 shares
      Selling price: ¥588,163 million
      Impact of the sale: A decrease in capital surplus of ¥341,531 million is projected during the third quarter due to the sale. The affected amount is the current estimated value on a consolidated basis, thus the amount may change due to factors including confirmation of the actual cost of stocks sold.
      Equity interest after the sale: 89.0%
   (2) Japan Post Insurance Co., Ltd.
      Number of stocks to be sold: 66,000,000 shares
      Selling price: ¥142,801 million
      Impact of the sale: A decrease in capital surplus of ¥15,143 million is projected during the third quarter due to the sale. The affected amount is the current estimated value on a consolidated basis, thus the amount may change due to factors including confirmation of the actual cost of stocks sold.
      Equity interest after the sale: 89.0%

(Acquisition of treasury stock)

In accordance with the Articles of Incorporation pursuant to Article 459, Paragraph 1, Item 1 of the Companies Act, the Company resolved matters related to acquisition of treasury stock at the Board of Directors meeting held on October 19, 2015.

1. Reasons for acquisition of treasury stock
   The Company has decided to invest the proceeds from the sale of the two financial companies shares in the acquisition of treasury stock with an aim to enhance its capital efficiency and to contribute to the
securing of financial resources for reconstruction through the sale of stock of the Company held by the government as well as to the promotion of postal service privatization, as the Group’s present funding needs can be sufficiently covered by its funds on hand.

2. Details of the acquisition
   (1) Class of shares to be acquired
       Common stock of the Company
   (2) Total number of shares to be acquired
       2,250,000,000 shares (maximum)
   (3) Total acquisition price
       ¥730,964,638,025 (maximum)
   (4) Acquisition period
       November 5, 2015 to March 31, 2016
   (5) Acquisition method
       Off-auction own share repurchase trading (ToSTNeT-3) at the Tokyo Stock Exchange
4. Interim Non-consolidated Financial Statements

(1) Interim Non-consolidated Balance Sheets

(Millions of yen)

<table>
<thead>
<tr>
<th>Assets</th>
<th>As of March 31, 2015</th>
<th>As of September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>277,553</td>
<td>348,244</td>
</tr>
<tr>
<td>Inventories</td>
<td>511</td>
<td>426</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>68</td>
<td>433</td>
</tr>
<tr>
<td>Short-term loan</td>
<td>42,200</td>
<td>43,000</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>139,560</td>
<td>127,916</td>
</tr>
<tr>
<td>Others</td>
<td>2,916</td>
<td>7,297</td>
</tr>
<tr>
<td>Reserve for possible loan losses</td>
<td>(7)</td>
<td>(10)</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>462,804</td>
<td>527,306</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tangible fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>36,784</td>
<td>33,098</td>
</tr>
<tr>
<td>Tools and fixtures</td>
<td>3,323</td>
<td>2,854</td>
</tr>
<tr>
<td>Land</td>
<td>95,727</td>
<td>91,706</td>
</tr>
<tr>
<td>Others</td>
<td>2,167</td>
<td>24,211</td>
</tr>
<tr>
<td><strong>Total tangible fixed assets</strong></td>
<td>138,001</td>
<td>151,871</td>
</tr>
<tr>
<td><strong>Intangible fixed assets</strong></td>
<td>9,010</td>
<td>9,593</td>
</tr>
<tr>
<td><strong>Investments and other assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks of subsidiaries and affiliates</td>
<td>8,502,299</td>
<td>8,502,299</td>
</tr>
<tr>
<td>Claims in bankruptcy</td>
<td>89</td>
<td>75</td>
</tr>
<tr>
<td>Long-term prepaid expenses</td>
<td>74</td>
<td>68</td>
</tr>
<tr>
<td>Others</td>
<td>139</td>
<td>3,666</td>
</tr>
<tr>
<td>Reserve for possible loan losses</td>
<td>(89)</td>
<td>(75)</td>
</tr>
<tr>
<td>Allowance for investment loss</td>
<td>(5,152)</td>
<td>(5,152)</td>
</tr>
<tr>
<td><strong>Total investments and other assets</strong></td>
<td>8,497,360</td>
<td>8,500,881</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>8,644,373</td>
<td>8,662,347</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>9,107,178</td>
<td>9,189,653</td>
</tr>
<tr>
<td>Liabilities</td>
<td>As of March 31, 2015</td>
<td>As of September 30, 2015</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>----------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>52,626</td>
<td>24,145</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>2,138</td>
<td>1,280</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>107,444</td>
<td>67,698</td>
</tr>
<tr>
<td>Consumption taxes payable</td>
<td>455</td>
<td>498</td>
</tr>
<tr>
<td>Reserve for bonuses</td>
<td>1,670</td>
<td>2,191</td>
</tr>
<tr>
<td>Reserve for point service program</td>
<td>516</td>
<td>499</td>
</tr>
<tr>
<td>Others</td>
<td>4,922</td>
<td>1,068</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>169,775</td>
<td>97,382</td>
</tr>
<tr>
<td><strong>Long-term liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve for retirement benefits</td>
<td>167,507</td>
<td>158,526</td>
</tr>
<tr>
<td>Reserve for compensation for accidents in the course of duty</td>
<td>21,609</td>
<td>21,153</td>
</tr>
<tr>
<td>Others</td>
<td>3,828</td>
<td>3,499</td>
</tr>
<tr>
<td><strong>Total long-term liabilities</strong></td>
<td>192,946</td>
<td>183,179</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>362,721</td>
<td>280,562</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital stock</td>
<td>3,500,000</td>
<td>3,500,000</td>
</tr>
<tr>
<td>Capital surplus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital reserve</td>
<td>875,000</td>
<td>875,000</td>
</tr>
<tr>
<td>Other capital surplus</td>
<td>3,628,856</td>
<td>3,628,856</td>
</tr>
<tr>
<td><strong>Total capital surplus</strong></td>
<td>4,503,856</td>
<td>4,503,856</td>
</tr>
<tr>
<td>Retained earnings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other retained earnings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained earnings brought forward</td>
<td>740,600</td>
<td>905,235</td>
</tr>
<tr>
<td><strong>Total retained earnings</strong></td>
<td>740,600</td>
<td>905,235</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity</strong></td>
<td>8,744,456</td>
<td>8,909,091</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>8,744,456</td>
<td>8,909,091</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>9,107,178</td>
<td>9,189,653</td>
</tr>
</tbody>
</table>
## (2) Interim Non-consolidated Statements of Income

**Six months ended September 30**

<table>
<thead>
<tr>
<th></th>
<th>Six months ended September 30, 2014</th>
<th>Six months ended September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissions from subsidiaries and affiliates</td>
<td>5,724</td>
<td>-</td>
</tr>
<tr>
<td>Brand royalty fees</td>
<td>-</td>
<td>6,676</td>
</tr>
<tr>
<td>Dividend income from subsidiaries and affiliates</td>
<td>119,517</td>
<td>209,245</td>
</tr>
<tr>
<td>Income from business consignment</td>
<td>25,216</td>
<td>12,483</td>
</tr>
<tr>
<td>Subsidy payment equivalent to deposit insurance premiums</td>
<td>11,296</td>
<td>4,931</td>
</tr>
<tr>
<td>Income from hospital business</td>
<td>11,986</td>
<td>11,160</td>
</tr>
<tr>
<td>Income from hotel business</td>
<td>14,928</td>
<td>14,598</td>
</tr>
<tr>
<td><strong>Total operating income</strong></td>
<td>188,670</td>
<td>259,095</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses for business consignment</td>
<td>23,754</td>
<td>10,571</td>
</tr>
<tr>
<td>Expenses for hospital business</td>
<td>15,007</td>
<td>13,878</td>
</tr>
<tr>
<td>Expenses for hotel business</td>
<td>16,509</td>
<td>15,558</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(1,648)</td>
<td>(2,672)</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>53,622</td>
<td>37,336</td>
</tr>
<tr>
<td><strong>Net operating income</strong></td>
<td>135,047</td>
<td>221,759</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent income</td>
<td>1,254</td>
<td>1,259</td>
</tr>
<tr>
<td>Others</td>
<td>343</td>
<td>468</td>
</tr>
<tr>
<td><strong>Total other income</strong></td>
<td>1,597</td>
<td>1,728</td>
</tr>
<tr>
<td><strong>Other expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expenses</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Rent expenses</td>
<td>558</td>
<td>604</td>
</tr>
<tr>
<td>Others</td>
<td>115</td>
<td>149</td>
</tr>
<tr>
<td><strong>Total other expenses</strong></td>
<td>675</td>
<td>753</td>
</tr>
<tr>
<td><strong>Net ordinary income</strong></td>
<td>135,968</td>
<td>222,733</td>
</tr>
<tr>
<td><strong>Extraordinary gains</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains on sales of fixed assets</td>
<td>0</td>
<td>103</td>
</tr>
<tr>
<td>Gains on transfer of business</td>
<td>-</td>
<td>2,315</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td>623</td>
</tr>
<tr>
<td><strong>Total extraordinary gains</strong></td>
<td>0</td>
<td>3,042</td>
</tr>
<tr>
<td><strong>Extraordinary losses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Losses on sales and disposal of fixed assets</td>
<td>617</td>
<td>29</td>
</tr>
<tr>
<td>Losses on impairment of fixed assets</td>
<td>1,573</td>
<td>3,849</td>
</tr>
<tr>
<td>Share of post office refurbishment expenses</td>
<td>-</td>
<td>13,804</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total extraordinary losses</strong></td>
<td>2,190</td>
<td>17,689</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>133,779</td>
<td>208,086</td>
</tr>
<tr>
<td><strong>Income taxes current</strong></td>
<td>(6,794)</td>
<td>(6,647)</td>
</tr>
<tr>
<td><strong>Total income taxes</strong></td>
<td>(6,794)</td>
<td>(6,647)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>140,573</td>
<td>214,734</td>
</tr>
</tbody>
</table>
(3) Interim Non-consolidated Statements of Changes in Net Assets

Six month ended September 30, 2014

<table>
<thead>
<tr>
<th>Shareholders’ equity</th>
<th>Capital stock</th>
<th>Capital surplus</th>
<th>Retained earnings</th>
<th>Total net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Capital reserve</td>
<td>Total capital surplus</td>
<td>Total shareholders’ equity</td>
</tr>
<tr>
<td>----------------------</td>
<td>---------------</td>
<td>----------------</td>
<td>-------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Balance at the beginning of the fiscal year</td>
<td>3,500,000</td>
<td>4,503,856</td>
<td>4,503,856</td>
<td>715,528</td>
</tr>
<tr>
<td>Cumulative effects of changes in accounting policies</td>
<td></td>
<td></td>
<td></td>
<td>(62,609)</td>
</tr>
<tr>
<td>Restated balance at the beginning of the fiscal year</td>
<td>3,500,000</td>
<td>4,503,856</td>
<td>4,503,856</td>
<td>652,918</td>
</tr>
<tr>
<td>Changes in the period</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash dividends</td>
<td></td>
<td></td>
<td>(43,500)</td>
<td>(43,500)</td>
</tr>
<tr>
<td>Net income</td>
<td></td>
<td></td>
<td>140,573</td>
<td>140,573</td>
</tr>
<tr>
<td>Net changes in the period</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>97,073</td>
</tr>
<tr>
<td>Balance at the end of the period</td>
<td>3,500,000</td>
<td>4,503,856</td>
<td>4,503,856</td>
<td>749,992</td>
</tr>
</tbody>
</table>
Six months ended September 30, 2015

(Millions of yen)

<table>
<thead>
<tr>
<th>Shareholders’ equity</th>
<th>Retained earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital stock</td>
<td>Capital surplus</td>
</tr>
<tr>
<td>Capital reserve</td>
<td></td>
</tr>
<tr>
<td>Balance at the begining of the fiscal year</td>
<td>3,500,000</td>
</tr>
<tr>
<td>Cumulative effects of changes in accounting policies</td>
<td></td>
</tr>
<tr>
<td>Restated balance at the begining of the fiscal year</td>
<td>3,500,000</td>
</tr>
<tr>
<td>Changes in the period</td>
<td></td>
</tr>
<tr>
<td>Cash dividends</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td></td>
</tr>
<tr>
<td>Net changes in the period</td>
<td></td>
</tr>
<tr>
<td>Balance at the end of the period</td>
<td>3,500,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total shareholders’ equity</th>
<th>Total net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the begining of the fiscal year</td>
<td>8,744,456</td>
</tr>
<tr>
<td>Cumulative effects of changes in accounting policies</td>
<td>-</td>
</tr>
<tr>
<td>Restated balance at the begining of the fiscal year</td>
<td>8,744,456</td>
</tr>
<tr>
<td>Changes in the period</td>
<td></td>
</tr>
<tr>
<td>Cash dividends</td>
<td>(50,100)</td>
</tr>
<tr>
<td>Net income</td>
<td>214,734</td>
</tr>
<tr>
<td>Net changes in the period</td>
<td>164,634</td>
</tr>
<tr>
<td>Balance at the end of the period</td>
<td>8,909,091</td>
</tr>
</tbody>
</table>