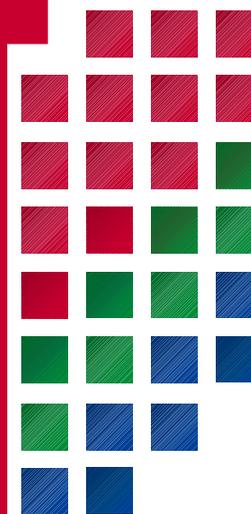


**Financial Highlights
for the Fiscal Year Ended March 31, 2016**

May 13, 2016



Japan Post Holdings: Financial Highlights

■ Results of Operations for the Fiscal Year Ended March 31, 2016

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank	Japan Post Insurance (Consolidated)
Ordinary income	14,257.5	3,648.4	1,968.9	9,605.7
Year-on-year (for the year ended Mar.31, 2015) change	(1.3) (0.0)%	+ 686.4 + 23.2%	(109.1) (5.2)%	(563.4) (5.5)%
Net ordinary income	966.2	42.3	481.9	411.5
Year-on-year (for the year ended Mar.31, 2015) change	(149.5) (13.4)%	+ 19.4 + 85.1%	(87.4) (15.3)%	(81.1) (16.5)%
Net income	425.9	47.2	325.0	84.8
Year-on-year (for the year ended Mar.31, 2015) change	(56.7) (11.7)%	+ 25.0 + 113.1%	(44.3) (12.0)%	+ 3.5 + 4.4%

■ Forecast for the fiscal year ended March 31, 2016 (announced in November 2015)

Net ordinary income	860.0	29.5	460.0	350.0
[percentage achievement]	[112.4%]	[143.5%]	[104.7%]	[117.6%]
Net income	370.0	-	320.0	84.0
[percentage achievement]	[115.1%]	-	[101.5%]	[101.1%]

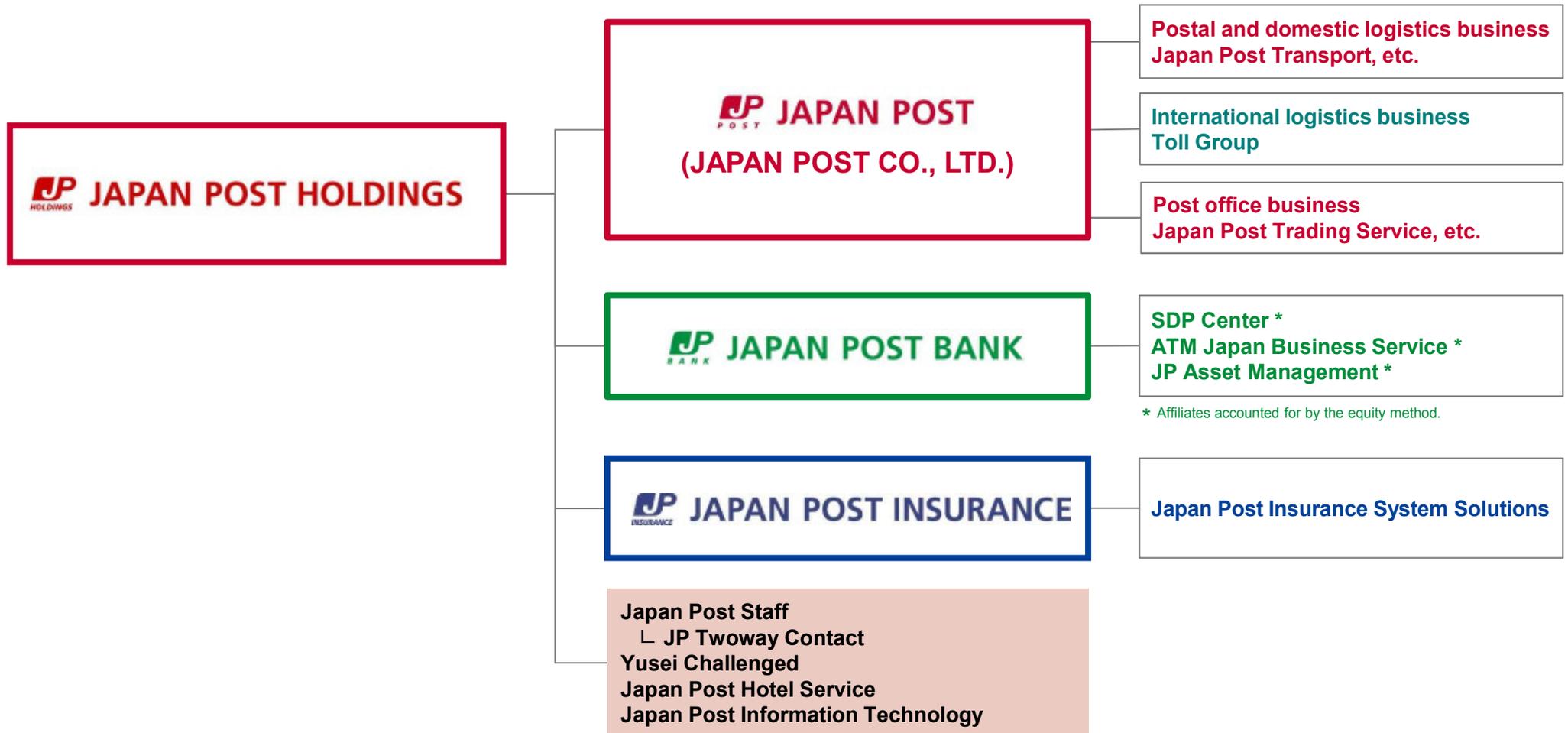
Notes: 1. Figures less than ¥0.1 billion are rounded down. The figures of Japan Post Holdings (consolidated) and the combined figures of each subsidiary do not correspond because of other consolidated accounting procedures.

2. The amount of ordinary profit on the consolidated financial statements of Japan Post Insurance has been used for net ordinary income of Japan Post Insurance.

3. The amounts of net income attributable to Japan Post Holdings, net income attributable to Japan Post Co. and net income attributable to Japan Post Insurance have been used for net income of Japan Post Holdings (consolidated), Japan Post Co. (consolidated) and Japan Post Insurance (consolidated), respectively.

Japan Post Holdings: List of the Group Companies

Organization chart
(as of March 31, 2016)



Japan Post Co. (Consolidated): Financial Highlights

Operating income for the year ended March 31, 2016 increased by ¥686.0 billion year-on-year to ¥3,627.0 billion. Net income increased significantly by ¥25.0 billion, or 113.1%, year-on-year to ¥47.2 billion.

- Net operating income of postal and domestic logistics business improved by ¥15.6 billion year-on-year to ¥7.4 billion due to an increase in volume of Yu-Pack, etc. handled as well as measures to improve productivity.
- Operating income and net operating income (EBIT) of international logistics business that represent financial results of Toll Holdings (hereinafter referred to as "Toll") were ¥544.0 billion and ¥17.2 billion respectively.
- Net operating income of post office business increased by ¥14.8 billion year-on-year to ¥35.6 billion mainly due to promoting the operating initiatives in cooperation with Japan Post Bank and Japan Post Insurance.

Results of Operations for the Fiscal Year Ended March 31, 2016

(Billions of yen)

Item	Japan Post Co. (Consolidated)		Postal and domestic logistics business		^(Note2) International logistics business		Post office business	
		Year-on-year change		Year-on-year change		^(Note3) Year-on-year change		Year-on-year change
Operating income	3,627.0	+ 686.0	1,924.8	+ 72.8	544.0 [6,291]	-	1,353.0	+ 71.1
Operating expenses	3,594.3	+ 666.0	1,917.3	+ 57.2	526.8 [6,092]	-	1,317.4	+ 56.2
Personnel expenses	2,333.6	+ 233.7	1,234.0	+ 37.0	172.0 [1,989]	-	927.5	+ 24.6
Other expenses	^(Note1) 1,260.7	+ 432.2	683.3	+ 20.2	354.8 [4,103]	-	389.9	+ 31.5
Net operating income	32.6	+ 20.0	7.4	+ 15.6	17.2 [199]	-	35.6	+ 14.8
Net ordinary income	42.3	+ 19.4						
Income before income taxes	54.7	+ 32.7						
Net income	47.2	+ 25.0						

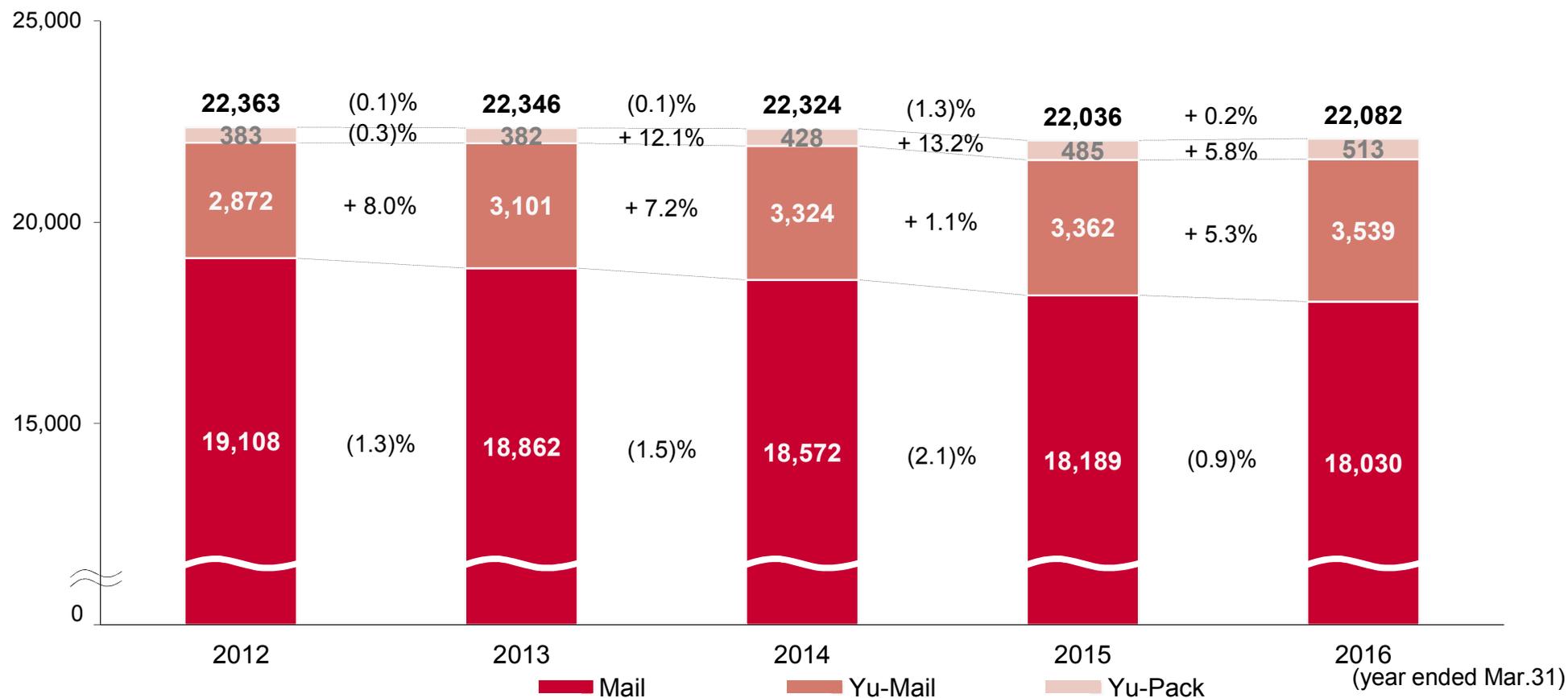
- Notes: 1. Includes amortization of goodwill, etc. in connection with the acquisition of Toll, which is ¥17.1 billion for the nine-month period from July 2015 to March 2016.
2. International logistics business is presented as the financial results of Toll and in accordance with IFRS. Net operating income is presented as EBIT of Toll. Figures in square brackets are presented in millions of Australian dollars (Average exchange rate for the period: ¥86.47 to A\$1.00.).
3. Year-on-year change figures have not been presented because the previous corresponding period was before Toll acquisition.

Japan Post Co. (Consolidated) [Postal and Domestic Logistics Business]: Trends in Volume of Items Handled



- Total volume of items handled increased by 0.2% year-on-year for the first time in 14 years since the fiscal year ended March 31, 2002. Of which, volume of mail handled decreased by 0.9% year-on-year, despite the increase of international parcel including EMS and international parcels for Asia and the presence of delivery of notification cards of the social security and tax number system.
- Volume of Yu-Pack handled increased for the third consecutive year due to expansion of the e-commerce market and strengthened sales activities for small and medium-sized businesses. Volume of Yu-Mail handled increased by 5.3% year-on-year.

(Volume of items handled in millions)



Japan Post Co. (Consolidated) [Postal and Domestic Logistics Business]: Financial Results



- Operating income increased by ¥72.8 billion year-on-year because of the following factors: Continuous increase in volume of Yu-Pack and EMS handled due to expansion of the e-commerce market and strengthened sales activities for small and medium-sized businesses; increase in volume of simplified registered mail handled due to the delivery of notification cards of the social security and tax number system; initiatives to expand new services such as Smart Letter; and increase in income of Yu-Packet, Click Post and other services, for which demand was high in the e-commerce market.
- Increase in operating expenses was well controlled by the measures including an improvement of productivity in pick-up and delivery services, despite negative factors including an increase in unit personnel expenses and an increase in other expenses associated with an increase in volume of Yu-Pack, EMS and simplified registered mail handled.
- As a result, net operating income improved by ¥15.6 billion year-on-year to ¥7.4 billion.

Results of Operations for the Fiscal Year Ended March 31, 2016

	(Billions of yen)		
	For the year ended Mar.31, 2016	For the year ended Mar.31, 2015	Year-on-year change
Operating income	1,924.8	1,851.9	+ 72.8
Operating expenses	1,917.3	1,860.0	+ 57.2
Personnel expenses	1,234.0	1,197.0	+ 37.0
Other expenses	683.3	663.0	+ 20.2
Net operating income (loss)	7.4	(8.1)	+ 15.6

Factors behind the increase in operating income

- Increase in volume of Yu-Pack and Yu-Mail (including Yu-Packet) handled
- Increase in volume of simplified registered mail handled
- Increase in volume of EMS and international parcel handled
- Increase in sales income of Letter Pack (including Smart Letter)

Factors behind the increase in personnel expenses

- Increase in salaries and allowances (including for fixed-term employees)
- Increase in legal welfare expenses

Factors behind the increase in other expenses

- Increase in international transportation fees associated with the increase in volume of EMS, etc.
- Increase in collection, transport and delivery outsourcing expenses (in Japan) associated with the increase in volume of Yu-Pack, etc.

Japan Post Co.(Consolidated) [International Logistics Business]: Financial Results of Toll

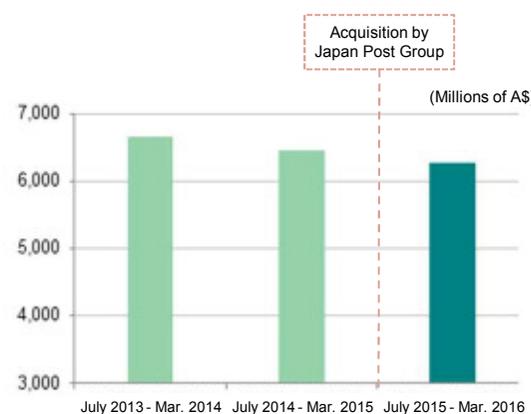
- Toll is an integrated international logistics provider with a strong operating base in Australia that engages in the forwarding business and third-party logistics (contract logistics) in the Asia Pacific region. The Japan Post Group has positioned Toll as the platform for global expansion of the Group and will promote growth of the international logistics business by taking full advantage of the knowledge and experience of Toll.
- Financial results of Toll for the nine-month period from July 2015 to March 2016 has been included in the consolidated figures of the Japan Post Group. Operating income and net operating income of Toll decreased by 2.6% and 36.2%, respectively, from the previous year before it became a consolidated subsidiary of Japan Post Group.
- Toll's results reflect the on-going weakness in the Australian resources sector impacting the broader Australian market and particularly impacting on its network businesses. A strong focus on cost reduction initiatives and growing momentum from continuous improvement programs are partially mitigating the impact, and are expected to contribute further. Contract based businesses have continued to operate soundly.

Results of Operations for the Nine Months Ended March 31, 2016 (Reference)

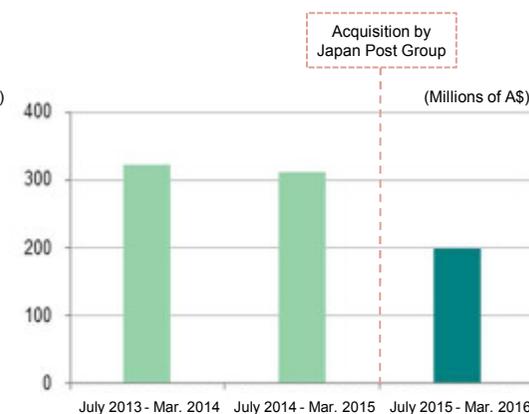
(Millions of Australian dollars)

	For the nine months ended Mar.31, 2016	(Note) For the nine months ended Mar.31, 2015	Year-on-year change
Operating income (revenue)	6,291	6,462	(170) [(2.6)%]
Operating expenses	6,092	6,149	(57) [(0.9)%]
Net operating income (EBIT)	199	312	(113) [(36.2)%]

Trends of operating income (revenue)



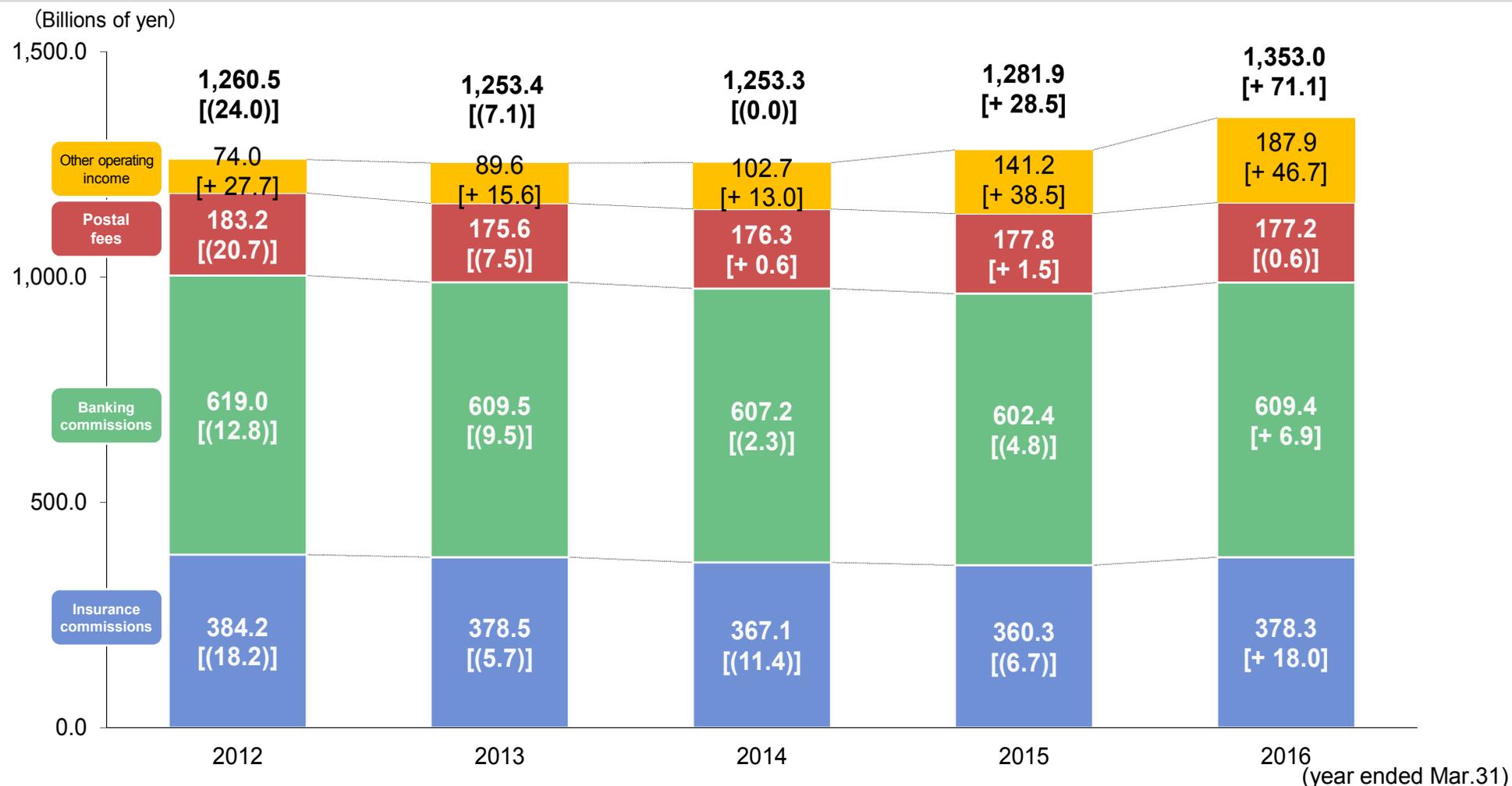
Trends of net operating income (EBIT)



Note: Figures under “for the nine months ended Mar.31, 2015” are the figures of Toll for the nine-month period in the previous fiscal year before it became a consolidated subsidiary of Japan Post Group, and are included for referential purposes only.

Japan Post Co. (Consolidated) [Post Office Business]: Trends in the Earnings Structure

- Commissions from Japan Post Bank and Japan Post Insurance increased year-on-year due to promoting the operating initiatives in cooperation with them.
- Other operating income showed steady increase due to expansion of merchandising business and real estate business.



- Sales commissions and administrative fees from Japan Post Bank and commissions for new policy sales from Japan Post Insurance increased due to promoting the operating initiatives in cooperation with them. Furthermore, operating income increased by ¥71.1 billion year-on-year, because of an increase in catalog sales as part of merchandising business, increase in earnings from the development of real estate business, and improvement in third-party financial product agency services such as the expansion in July, 2015 of the number of post offices handling cancer insurance to 20,000 locations.
- Operating expenses increased by ¥56.2 billion year-on-year resulting from an increase in salaries and allowances, legal welfare expenses and costs of sales for merchandising business and real estate business.
- As a result, net operating income increased by ¥14.8 billion year-on-year.

Results of Operations for the Fiscal Year Ended March 31, 2016

(Billions of yen)

	For the year ended Mar.31, 2016	For the year ended Mar.31, 2015	Year-on-year change
Operating income	1,353.0	1,281.9	+ 71.1
Operating expenses	1,317.4	1,261.1	+ 56.2
Personnel expenses	927.5	902.8	+ 24.6
Other expenses	389.9	358.3	+ 31.5
Net operating income	35.6	20.7	+ 14.8

Breakdown of operating income

(Billions of yen)

Item	For the year ended Mar.31, 2016	Year-on-year change
Commissions for business consignment	1,165.0	+ 24.3
Other operating income	187.9	+ 46.7
Merchandising business	133.7	+ 21.3
Real estate business	30.3	+ 13.8
Third-party financial product agency services	11.5	+ 4.8

Factors behind the increase in personnel expenses

- Increase in salaries and allowances
- Increase in legal welfare expenses

Factors behind the increase in other expenses

- Increase in cost of sales for merchandising business
- Increase in cost of sales associated with unit sales of residential real estate

Factors behind the decrease in other expenses

- Decrease in expenses for the nationwide replacement of computer terminals

Japan Post Bank: Financial Highlights

Results of Operations for the Fiscal Year Ended March 31, 2016

(Billions of yen)

	As of and for the year ended		Year-on-year change
	Mar.31, 2016	Mar.31, 2015	
Gross operating profit	1,452.0	1,634.7	(182.6)
Net interest income	1,361.0	1,540.7	(179.7)
Net fees and commissions	91.1	89.2	+ 1.8
Net other operating income (loss)	(0.1)	4.7	(4.8)
General and administrative expenses ^(Note1)	1,066.1	1,114.7	(48.5)
Provision for general reserve for possible loan losses	-	-	-
Net operating profit	385.8	519.9	(134.1)
Non-recurring gains (losses)	96.1	49.4	+ 46.6
Net ordinary income	481.9	569.4	(87.4)
Net income	325.0	369.4	(44.3)
Ordinary income	1,968.9	2,078.1	(109.1)
Ordinary expenses	1,486.9	1,508.6	(21.7)
Deposits ^(Note2)	177,871.9	177,710.7	+ 161.2
Capital adequacy ratio (non-consolidated, domestic standard)	26.38%	38.42%	(12.04)%

Overview

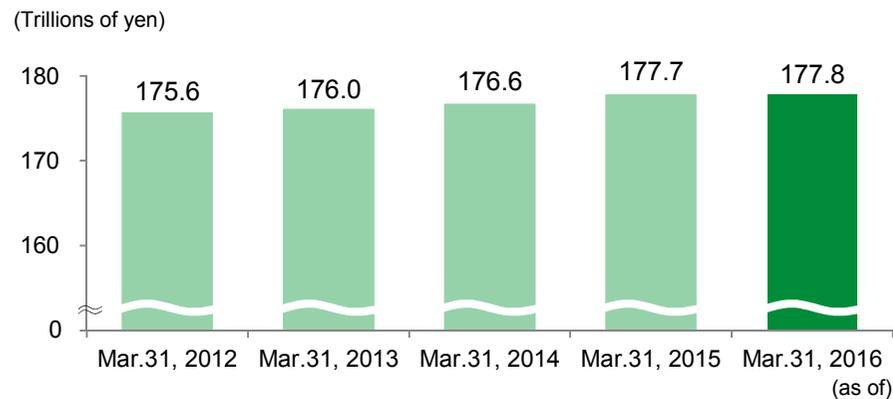
- Gross operating profit for the year ended March 31, 2016 decreased by ¥182.6 billion year-on-year to ¥1,452.0 billion. Of which, net interest income decreased by ¥179.7 billion year-on-year mainly due to a decrease in interest on Japanese government bonds, although interest on foreign securities increased. While net fees and commissions increased by ¥1.8 billion year-on-year due to an increase in fees relating to the sales of investment trust and ATMs, etc.
- General and administrative expenses decreased by ¥48.5 billion year-on-year to ¥1,066.1 billion mainly due to a reduction in the deposit insurance premium rate.
- In the adverse business environment with the prolonged period of historically low interest rates, net operating profit decreased by ¥134.1 billion year-on-year to ¥385.8 billion and net ordinary income decreased by ¥87.4 billion year-on-year to ¥481.9 billion.
- Net income decreased by ¥44.3 billion year-on-year to ¥325.0 billion, which achieved 101.5% of the financial results forecast of ¥320.0 billion for the fiscal year ended March 31, 2016.
- Deposits as of March 31, 2016 amounted to ¥177,871.9 billion (¥179,307.7 billion including accrued interest).
- Capital adequacy ratio (non-consolidated, domestic standard) as of March 31, 2016 was 26.38%.

Notes: 1. Excludes non-recurring losses.
2. Excludes accrued interest.

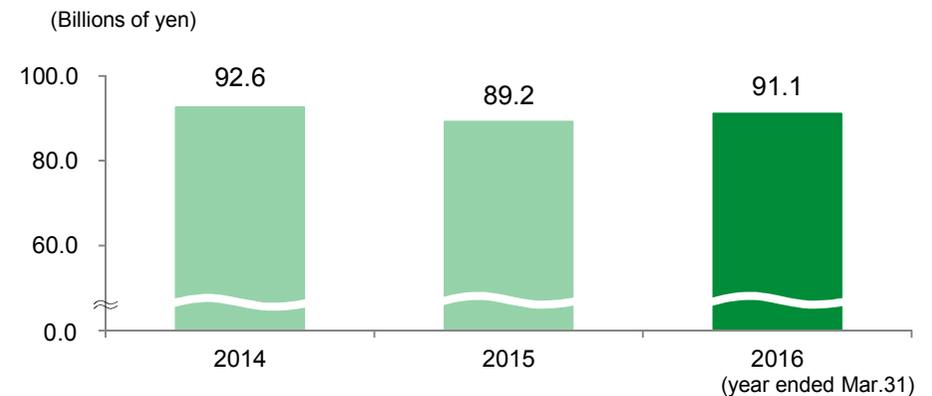
Japan Post Bank: Business Results

■ Sales of investment products (investment trust and variable annuity insurance) performed well. Deposit balance remained stable.

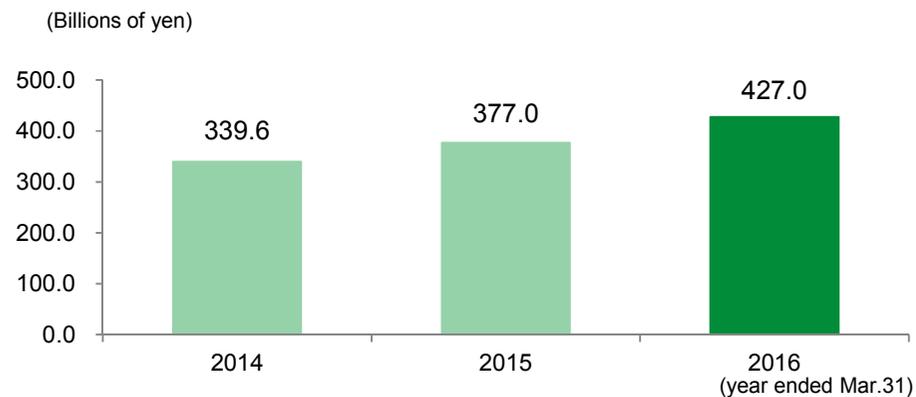
Deposit Balance



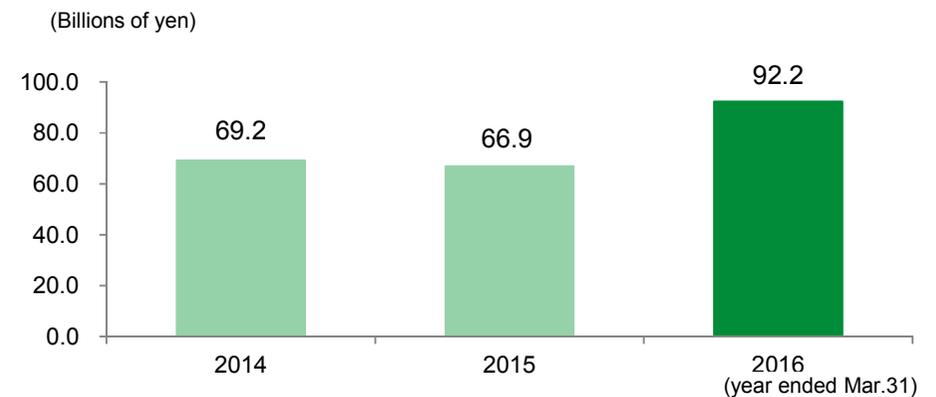
Net Fees and Commissions



Investment Trust Sales



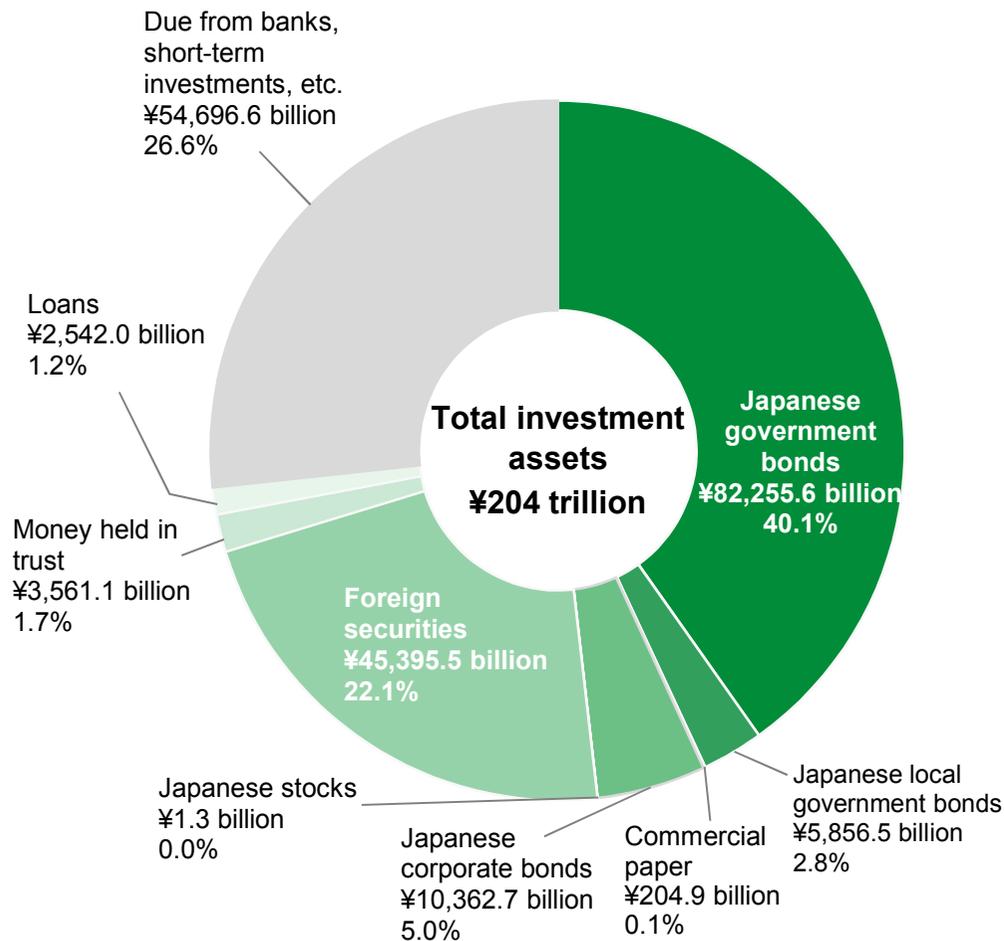
Variable Annuity Insurance Sales



Note: Figures are rounded down to the first decimal place.

Japan Post Bank: Details of Investment Assets

- Securities, which consisted of Japanese government bonds, etc., were ¥144.0 trillion, while loans were ¥2.5 trillion as of March 31, 2016.



(Billions of yen)

Type	As of Mar. 31, 2016	Composition ratio (%)	As of Mar. 31, 2015	Composition ratio (%)
Loans	2,542.0	1.2	2,783.9	1.3
Securities	144,076.8	70.3	156,169.7	75.8
Japanese government bonds	82,255.6	40.1	106,767.0	51.8
Japanese local government bonds	5,856.5	2.8	5,525.1	2.6
Commercial paper	204.9	0.1	226.9	0.1
Japanese corporate bonds	10,362.7	5.0	10,756.0	5.2
Japanese stocks	1.3	0.0	0.9	0.0
Foreign securities	45,395.5	22.1	32,893.6	15.9
Money held in trust	3,561.1	1.7	3,491.6	1.6
Due from banks, short-term investments, etc. (Note)	54,696.6	26.6	43,419.9	21.0
Total investment assets	204,876.6	100.0	205,865.4	100.0

Note: "Due from banks, short-term investments, etc." consists of negotiable certificates of deposit, Bank of Japan deposits, call loans, receivables under securities borrowing transactions, and monetary claims bought, etc.

Results of Operations for the Fiscal Year Ended March 31, 2016

(Billions of yen, number of policies in thousands)

	For the year ended		Year-on-year change
	Mar.31, 2016	Mar.31, 2015	
Ordinary income	9,605.7	10,169.2	(563.4)
Ordinary expenses	9,194.2	9,676.6	(482.3)
Ordinary profit	411.5	492.6	(81.1)
Net income	84.8	81.3	+ 3.5
Core profit (non-consolidated)	464.2	515.4	(51.1)
Number of new policies (individual insurance)	2,390	2,380	+ 10
Annualized premiums from new policies (individual insurance)	485.3	457.8	+ 27.5

	As of		Year-on-year change
	Mar.31, 2016	Mar.31, 2015	
Number of policies in force (including Postal Life Insurance Policies)	32,320	33,480	(1,160)
Solvency margin ratio (consolidated)	1,570.3%	1,644.2%	(73.9)%
EV	2,718.3	3,501.3	(782.9)

Overview

- Ordinary profit decreased by ¥81.1 billion year-on-year to ¥411.5 billion because of a decrease of number of policies in force mainly due to maturity of Postal Life Insurance Policies. Net income increased by ¥3.5 billion year-on-year to ¥84.8 billion mainly due to a decrease in provision for reserve for policyholder dividends resulting from an increase of number of policy riders which provide no policyholder dividends. Net income achieved 101.1% of the financial results forecast for the fiscal year ended March 31, 2016.
- Annualized premiums from new policies for individual insurance increased by 6.0% year-on-year to ¥485.3 billion. Annualized premiums from new policies for medical care showed a recovery trend, increasing by 20.6% year-on-year to ¥49.5 billion.
- There were 32,320 thousand policies in force (including postal life insurance policies), a decrease of 1,160 thousand policies from the end of the previous fiscal year.
- Retained earnings, which are the sum of contingency reserve and reserve for price fluctuations, amounted to ¥3,157.1 billion.
- Solvency margin ratio (consolidated), an indicator of the financial soundness, amounted to 1,570.3%, continuously maintaining a high level of financial soundness.
- Embedded Value (EV), an indicator of measuring corporate value and performance of life insurance companies, amounted to ¥2,718.3 billion, a decrease of ¥782.9 billion from the end of the previous fiscal year.

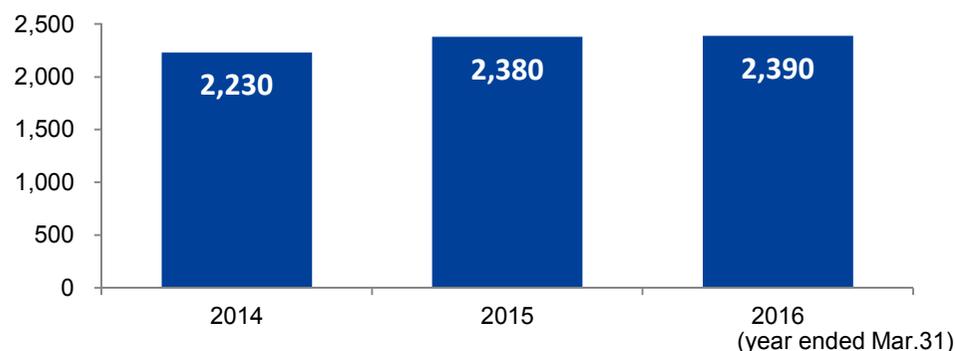
Notes: 1. Postal Life Insurance Policies refer to the reinsurance contracts of postal life insurance received from Management Organization for Postal Savings and Postal Life Insurance.
2. Number of policies is rounded down to the nearest ten thousand.

Japan Post Insurance (Consolidated): Status of Insurance Policies

- The number of new policies (individual insurance) was 2,390 thousand, an increase of 10 thousand policies from the end of the previous fiscal year. The number of policies in force was 32,320 thousand, a decrease of 1,160 thousand policies from the end of the previous fiscal year.
- Annualized premiums from new policies for individual insurance increased by 6.0% year-on-year to ¥485.3 billion. In addition, annualized premiums from new policies for medical care increased by 20.6% year-on-year to ¥49.5 billion.

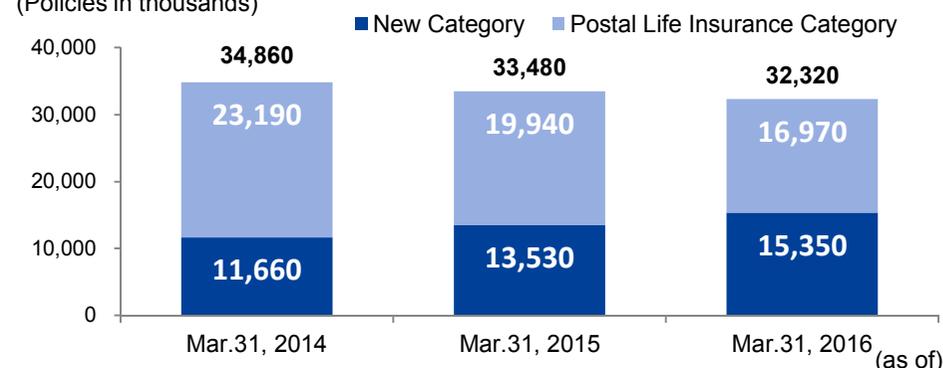
New Policies (Individual Insurance)

(Policies in thousands)



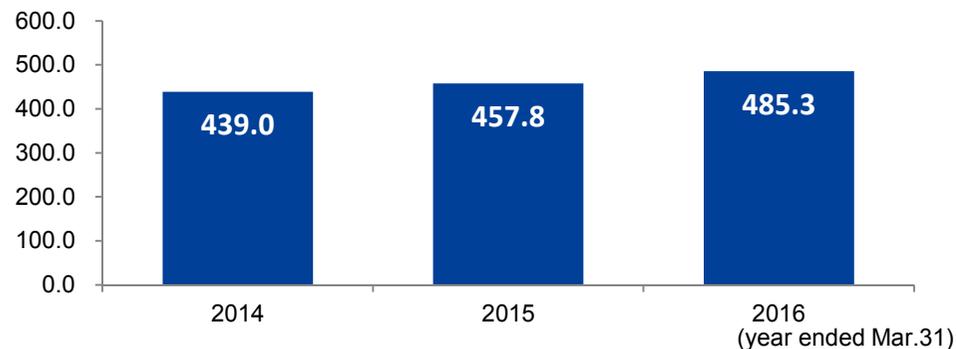
Policies in Force (Individual Insurance)

(Policies in thousands)



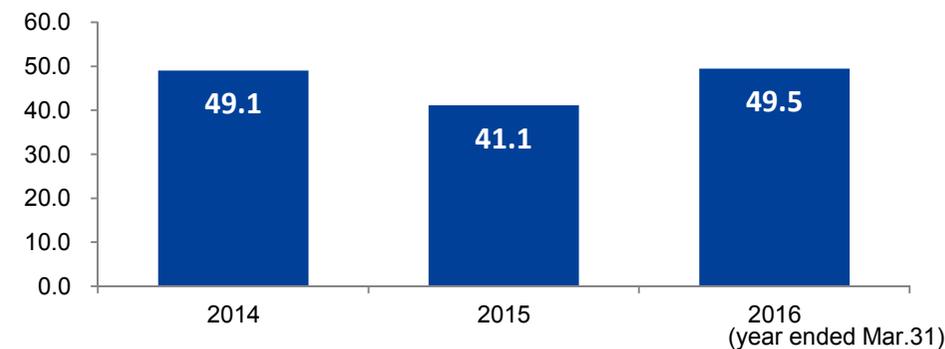
Annualized Premiums from New Policies (Individual Insurance)

(Billions of yen)



Annualized Premiums from New Policies (Medical Care)

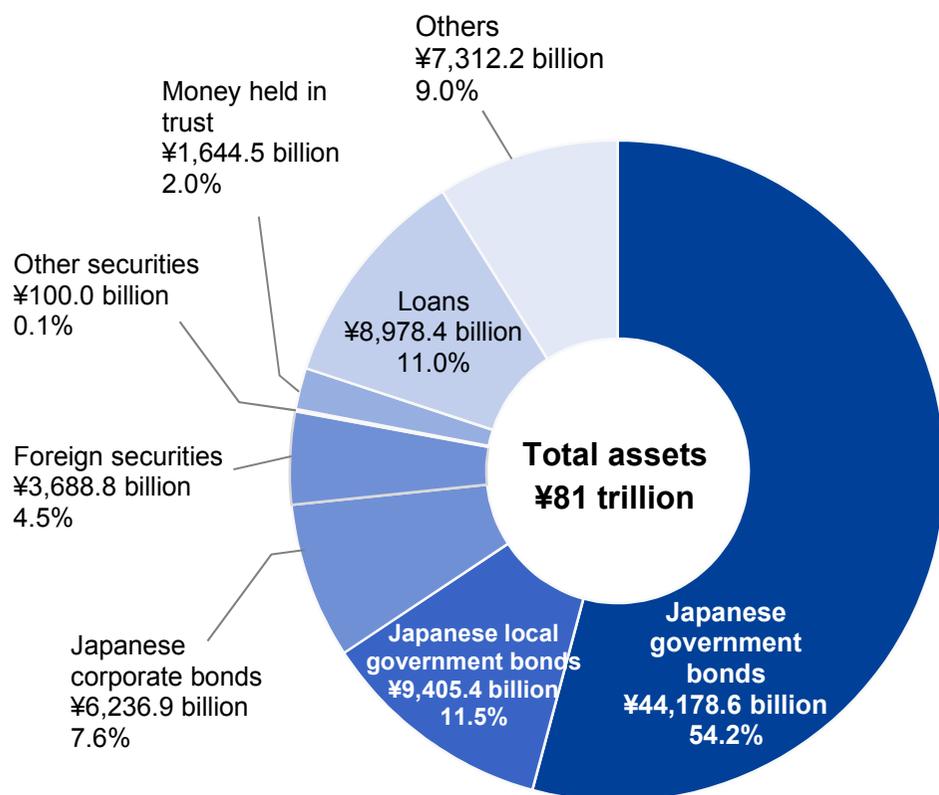
(Billions of yen)



Notes: 1. Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium by the insured period.

2. "New Category" shows individual insurance policies underwritten by Japan Post Insurance. "Postal Life Insurance Category" shows Postal Life Insurance Policies reinsured by Japan Post Insurance from the Management Organization for Postal Savings and Postal Life Insurance.

■ Securities, which consisted of Japanese government bonds, etc., were ¥63.6 trillion, while loans were ¥8.9 trillion as of March 31, 2016.



(Billions of yen)

Type	As of Mar.31, 2016	Composition ratio (%)	As of Mar.31, 2015	Composition ratio (%)
Loans	8,978.4	11.0	9,977.3	11.7
Securities	63,609.9	78.0	66,276.2	78.1
Japanese government bonds	44,178.6	54.2	48,086.4	56.6
Japanese local government bonds	9,405.4	11.5	9,555.8	11.3
Japanese corporate bonds	6,236.9	7.6	6,652.4	7.8
Foreign securities	3,688.8	4.5	1,981.4	2.3
Other securities	100.0	0.1	-	-
Money held in trust	1,644.5	2.0	1,434.9	1.7
Others	7,312.2	9.0	7,226.4	8.5
Total assets	81,545.1	100.0	84,915.0	100.0

Japan Post Holdings :

Financial Results Forecast for the Fiscal Year Ending March 31, 2017



(Billions of yen)

	Net ordinary income (Segment base)		Net income	Change (for the year ended Mar.31, 2016)		Key initiatives for the fiscal year ending March 31, 2017
	Net ordinary income	Change		Net income	Change	
Japan Post Holdings (Consolidated)	770.0	(196.2)	320.0	(105.9)		<ul style="list-style-type: none"> ■ Enhancing group corporate value ■ Strengthening corporate governance ■ Building a stable management base to achieve sustainable growth ■ Enhancing profitability by providing services that enable highly convenient item receipt and improving sales capability ■ Improvement of productivity by cost reduction ■ Strengthening a revenue base through the cooperation of Toll and Japan Post Co. ■ Productivity growth through joint development of human resource by Japan Post Bank and Japan Post Insurance ■ Steadily promoting third-party financial product agency service, merchandising business and real estate business ■ Promoting internationally diversified investment and exploring new investment areas such as private equity and real estate, etc. ■ In preparation for a rise in the number of maturing TEIGAKU deposits, promote sales activities for customers to roll over investments, and thereby secure the customer base ■ Expanding the sales and balance of investment trusts, etc. ■ Increasing the opportunities to engage in face-to-face communication with customers associated with measures related to the 100th anniversary and strengthening the sales of endowment and whole life insurances with riders ■ Improving our core IT system and enhancing system development and operation ■ Strengthening the function of the investment department, and expanding our investment targets in alternative investment categories
Japan Post Co. (Consolidated)	27.0	(15.3)				
Postal and domestic logistics business	9.0	(14.7)				
International logistics business	29.0	+ 15.2	12.0	(35.2)		
Post office business	14.0	(26.5)				
Japan Post Bank	420.0	(61.9)	300.0	(25.0)		
Japan Post Insurance (Consolidated)	310.0	(101.5)	86.0	+ 1.1		

Notes: 1. Amortization of goodwill, etc. in connection with the acquisition of Toll which amounts to ¥23.0 billion (same in Japan Post Co. (consolidated)), extraordinary losses which amounts to ¥95.0 billion due to post office refurbishment expenses (¥44.0 billion), etc. and non-controlling interests which amounts to ¥43.0 billion are reflected on Japan Post Holdings (consolidated) figures.

2. The amounts of net income attributable to Japan Post Holdings, net income attributable to Japan Post Co. and net income attributable to Japan Post Insurance have been used for net income of Japan Post Holdings (consolidated), Japan Post Co. (consolidated) and Japan Post Insurance (consolidated), respectively.

Japan Post Holdings : Information concerning dividends

- Japan Post Holdings aims to provide stable returns to shareholders while maintaining required internal reserves and paying attention to capital efficiency. Accordingly, Japan Post Holdings intends to maintain a consolidated dividend payout ratio of roughly 50% or higher until the year ending March 31, 2018, while maintaining stable dividends per share.
- Japan Post Holdings and Japan Post Bank intend to declare both annual dividends and interim dividends from the fiscal year ending March 31, 2017.

	For the fiscal year ended Mar.31 2016 Dividend per share [Dividend payout ratio]
Japan Post Holdings	25 Yen [25.7%]

	For the fiscal year ending Mar.31 2017		
	Dividend per share (forecast) (Dividend payout ratio)	Interim dividends	Annual dividends
Japan Post Holdings	50 Yen [64.3%]	25 Yen	25 Yen

(Two financial subsidiaries)

Japan Post Bank	25 Yen [28.8%]
Japan Post Insurance	56 Yen [39.6%]

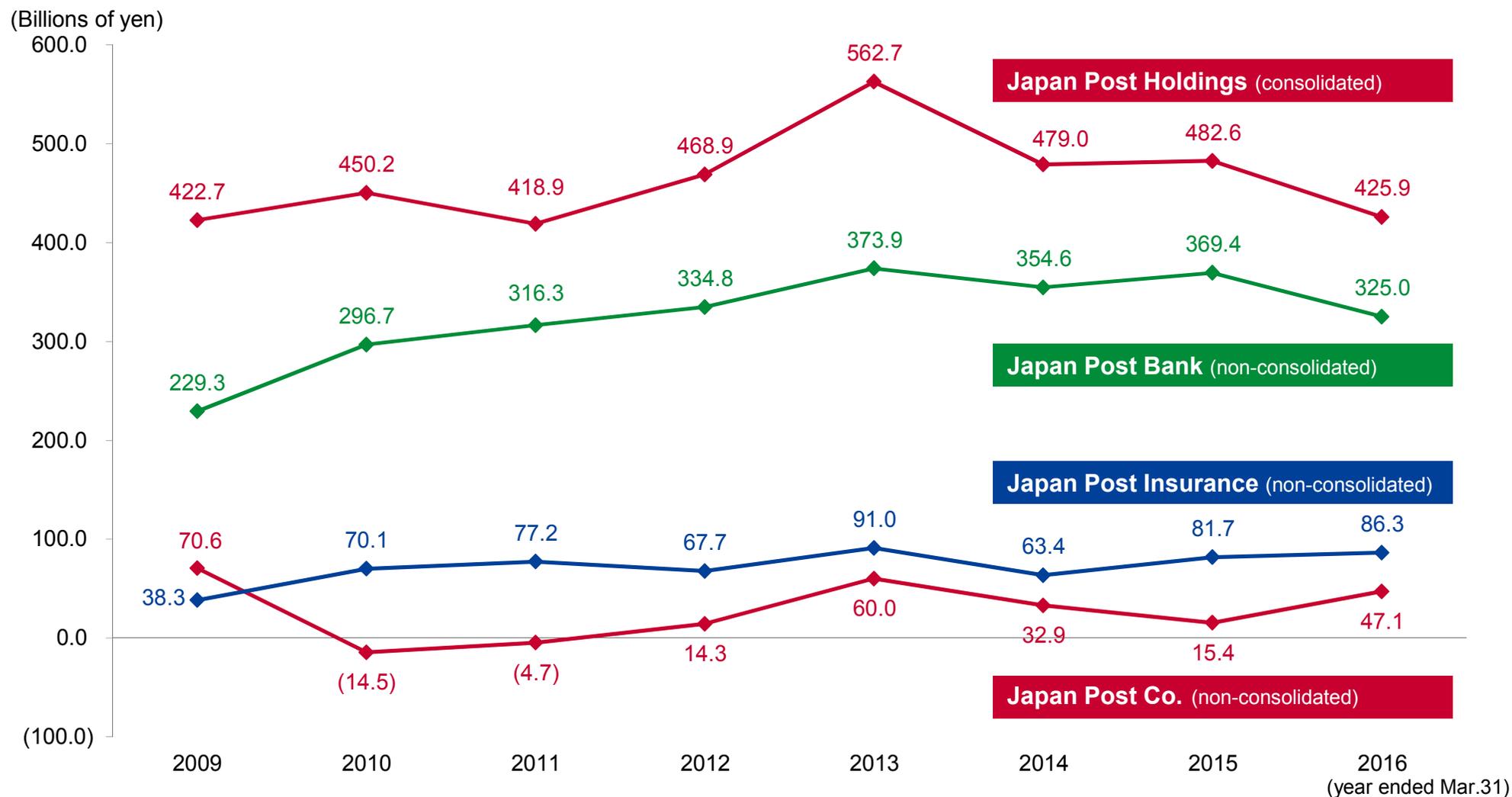
Japan Post Bank	50 Yen [62.4%]	25 Yen	25 Yen
Japan Post Insurance	60 Yen [41.9%]	-	60 Yen

Note: As only one record date will fall within the first fiscal year following the listing of our shares, Japan Post Holdings and Japan Post Bank will only declare annual dividends for the year ended March 31, 2016. As a result, Japan Post Holdings and Japan Post Bank intend to achieve a consolidated dividend payout ratio of roughly 25% or higher for the year ended March 31, 2016.

Appendix

Japan Post Holdings: Trends of Net Income

■ Trends of net income of Japan Post Holdings (consolidated) and principal subsidiaries after the privatization are as follows.



Notes: 1. For the fiscal year ended March 31, 2016, the amount of net income attributable to Japan Post Holdings has been used for net income of Japan Post Holdings (consolidated).

2. Net income of Japan Post Co. (non-consolidated) has been derived from net income of Japan Post Service Co. and Japan Post Network Co. up to the fiscal year ended March 31, 2013.

Japan Post Holdings (Non-Consolidated): Financial Highlights

Results of Operations for the Fiscal Year Ended March 31, 2016

(Billions of yen)

	For the year ended		Year-on-year change
	Mar.31, 2016	Mar.31,2015	
Net operating income	231.4	147.1	+ 84.2
Corporate income	236.1	152.5	+ 83.5
Dividend income from subsidiaries and affiliates	209.2	119.5	+ 89.7
Subsidy income equivalent to deposit insurance premiums	9.8	18.9	(9.1)
Brand royalty income, etc. (Note)	17.0	14.0	+ 2.9
Business income (loss)			
Business consignment income	2.4	3.6	(1.1)
Hospital business income (loss)	(5.2)	(6.0)	+ 0.8
Hotel business income (loss)	(1.9)	(2.9)	+ 0.9
Net ordinary income	232.9	149.2	+ 83.6
Extraordinary gains (losses)	(142.4)	(33.2)	(109.2)
Total income taxes	(3.8)	(15.0)	+ 11.2
Net income	94.3	131.1	(36.8)

Overview

- Net operating income increased by ¥84.2 billion year-on-year to ¥231.4 billion.
 - Corporate income increased by ¥83.5 billion year-on-year to ¥236.1 billion mainly due to an increase in dividend income from subsidiaries and affiliates.
 - Business consignment income decreased by ¥1.1 billion year-on-year to ¥2.4 billion mainly due to a decrease in the income from system service business by transfer of some operations.
 - Hospital business loss improved by ¥0.8 billion year-on-year to ¥5.2 billion mainly due to the business transfer of the three hospitals at the beginning of the year with no prospect of operational improvement.
 - Hotel business loss improved by ¥0.9 billion year-on-year to ¥1.9 billion mainly due to favorable performance of the hotels which were renovated in the previous fiscal year and the abolition of certain hotels with no prospect of operational improvement.
- Net ordinary income increased by ¥83.6 billion year-on-year to ¥232.9 billion.
- Extraordinary gains (losses) amounted to ¥(142.4) billion mainly due to gains (losses) on sales of stocks of subsidiaries and affiliates of ¥(93.4) billion (of which loss on sales of stocks of Japan Post Bank amounted to ¥126.2 billion and gain on sales of stocks of Japan Post Insurance amounted to ¥32.7 billion) and share of post office refurbishment expenses of ¥38.8 billion.
- Net income decreased by ¥36.8 billion year-on-year to ¥94.3 billion, comprising net ordinary income and other factors including extraordinary gains (losses) and total income taxes (amounting to ¥(3.8) billion, an increase of ¥11.2 billion year-on-year, due to a decrease of tax refund associated with the exclusion of Japan Post Bank and Japan Post Insurance from the consolidated tax payment system).

Note: Consisting of brand royalty income (Japan Post Holdings received "commissions from subsidiaries and affiliates" up to the fiscal year ended March 31, 2015) and administrative expenses

Forecasts and other forward-looking statements presented in this document are based on information available to Japan Post Holdings Co., Ltd (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.