



Financial Results of the Principal Subsidiaries

Fiscal Year Ended March 31, 2016

May 13, 2016

Table of Contents

I	Japan Post Holdings	1
	Year-on-Year Changes of Income for the Fiscal Year Ended March 31, 2016	1
II	Japan Post Co.....	3
	1. Consolidated Balance Sheets	4
	2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income.....	6
	(1) Consolidated Statements of Income	6
	(2) Consolidated Statements of Comprehensive Income	7
	3. Segment Information.....	8
III	Japan Post Bank.....	9
IV	Japan Post Insurance	10

I Japan Post Holdings

Year-on-Year Changes of Income for the Fiscal Year Ended March 31, 2016

Net ordinary income

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank	Japan Post Insurance (Consolidated)	Others (Including consolidated accounting procedures)
Fiscal year ended March 31, 2015	1,115.8	22.8	569.4	492.6	30.8
Fiscal year ended March 31, 2016	966.2	42.3	481.9	411.5	30.4
Year-on-year change	(149.5)	+ 19.4	(87.4)	(81.1)	(0.4)

Net income*¹

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank	Japan Post Insurance (Consolidated)	Others (Including consolidated accounting procedures)
Fiscal year ended March 31, 2015	482.6	22.1	369.4	81.3	9.7
Fiscal year ended March 31, 2016	425.9	47.2	325.0	84.8	* ² (31.2)
Year-on-year change	(56.7)	+ 25.0	(44.3)	+ 3.5	(40.9)

*1 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.

*2 "Others" for the fiscal year ended March 31, 2016 includes the amount of transfer to net income (losses) attributable to non-controlling interests due to sale of a portion of equity interests in Japan Post Bank and Japan Post Insurance (¥(7.9) billion) and post office refurbishment expenses in Japan Post Holdings (consolidated) of ¥(36.0) billion (fiscal year ended March 31, 2015: ¥(22.0) billion), etc.

II Japan Post Co.

1. Consolidated Balance Sheets

	As of March 31, 2015	As of March 31, 2016
	(Millions of yen)	
Assets		
Current assets		
Cash and deposits	¥ 2,617,915	¥ 1,908,767
Notes receivable and operating accounts receivable	246,438	332,564
Securities	105,160	400
Inventories	21,340	19,965
Prepaid expenses	2,833	8,178
Other accounts receivable	39,168	49,088
Outstanding amount of banking business consignment	-	3,917
Other current assets	40,515	61,705
Reserve for possible loan losses	(217)	(2,352)
Total current assets	3,073,154	2,382,236
Non-current assets		
Tangible fixed assets		
Buildings	884,008	1,022,959
Structures	25,424	25,741
Machinery and equipment	19,619	140,021
Vehicles	12,527	15,017
Tools and fixtures	41,388	66,278
Land	1,290,296	1,334,566
Construction in progress	46,973	59,800
Total tangible fixed assets	2,320,239	2,664,385
Intangible fixed assets		
Goodwill	-	411,164
Leasehold right	1,666	1,665
Transferable development right	14,077	14,077
Software	31,078	73,312
Other intangible fixed assets	26,921	38,292
Total intangible fixed assets	73,743	538,512
Investments and other assets		
Investment securities	42,582	33,081
Claims provable in bankruptcy	2,799	2,922
Asset for retirement benefits	239	391
Long-term prepaid expenses	10,128	9,967
Other investments and other assets	5,380	22,815
Reserve for possible loan losses	(2,801)	(2,924)
Total investments and other assets	58,329	66,253
Total non-current assets	2,452,313	3,269,151
Total assets	¥ 5,525,467	¥ 5,651,387

	As of March 31, 2015	As of March 31, 2016
	(Millions of yen)	
Liabilities		
Current liabilities		
Notes payable and operating accounts payable	¥ 66,239	¥ 106,115
Short-term borrowings	3,150	56,816
Other accounts payable	354,188	311,350
Outstanding amount of banking business consignment	7,984	-
Outstanding amount of life insurance business consignment	12,120	5,793
Accrued expenses	39,004	46,893
Income taxes payable	6,012	9,633
Consumption taxes payable	70,935	23,713
Unearned postage income	40,365	40,701
Deposits received	311,671	312,970
Fund deposits for post offices	1,140,000	1,060,000
Reserve for bonuses	82,951	92,256
Reserve for losses on rebuilding of branches	130	-
Other current liabilities	7,540	35,488
Total current liabilities	2,142,295	2,101,731
Long-term liabilities		
Bonds	-	36,798
Long-term borrowings	195	103,708
Deferred tax liabilities	9,159	28,814
Reserve for losses on rebuilding of branches	198	329
Liability for retirement benefits	2,047,001	2,055,617
Other long-term liabilities	39,515	79,403
Total long-term liabilities	2,096,071	2,304,671
Total liabilities	4,238,366	4,406,403
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	600,000	586,381
Retained earnings	27,749	89,413
Total shareholders' equity	1,027,749	1,075,795
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	6,584	48
Net deferred gains (losses) on hedges	(7,116)	381
Foreign currency translation adjustments	160	(56,856)
Accumulated adjustments for retirement benefits	256,995	221,608
Total accumulated other comprehensive income	256,623	165,182
Non-controlling interests	2,728	4,006
Total net assets	1,287,101	1,244,984
Total liabilities and net assets	¥ 5,525,467	¥ 5,651,387

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(1) Consolidated Statements of Income

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
	(Millions of yen)	
Operating income		
Postal service business income	¥ 1,838,460	¥ 1,910,477
Commissions for banking business consignment	602,446	609,431
Commissions for life insurance business consignment	360,378	378,379
International logistics business income	-	544,062
Other operating income	139,685	184,654
Total operating income	2,940,971	3,627,005
Operating costs	2,712,973	3,352,290
Gross operating income	227,998	274,715
Sales, general and administrative costs	215,412	242,103
Net operating income	12,586	32,611
Other income		
Rent income	11,242	11,847
Interest income	962	1,558
Equity in earnings (losses) of affiliates	71	1,103
Others	8,770	6,917
Total other income	21,046	21,426
Other expenses		
Interest expenses	56	4,539
Rent expenses	6,863	5,348
Stock issuance expenses	2,100	-
Others	1,741	1,812
Total other expenses	10,761	11,700
Net ordinary income	22,871	42,336
Extraordinary gains		
Gains on sales of fixed assets	836	3,795
Compensation for transfer	474	2,675
Gains on sales of investment securities	1,796	11,254
Gains on negative goodwill	2,680	849
Settlement received	-	2,825
Contribution for post office refurbishment expenses	24,029	38,853
Others	-	22
Total extraordinary gains	29,817	60,277
Extraordinary losses		
Losses on sales of fixed assets	23	208
Losses on disposal of fixed assets	2,604	3,134
Losses on impairment of fixed assets	3,804	3,567
Post office refurbishment expenses	24,029	38,853
Others	219	2,109
Total extraordinary losses	30,681	47,873
Income before income taxes	22,008	54,740
Income taxes current	275	5,810
Income taxes deferred	(273)	1,148

Total income taxes	1	6,958
Net income	22,006	47,782
Net income (loss) attributable to non-controlling interests	(168)	535
Net income attributable to Japan Post Co.	¥ 22,174	¥ 47,247

(2) Consolidated Statements of Comprehensive Income

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
	(Millions of yen)	
Net income	¥ 22,006	¥ 47,782
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	4,019	(6,523)
Net deferred gains (losses) on hedges	(7,116)	7,498
Foreign currency translation adjustments	94	(57,200)
Adjustments for retirement benefits	156,265	(35,386)
Share of other comprehensive income of affiliates	9	(9)
Total other comprehensive income	153,271	(91,622)
Comprehensive income	¥ 175,277	¥ (43,839)
Total comprehensive income attributable to:		
Japan Post Co.	¥ 175,447	¥ (44,193)
Non-controlling interests	(169)	353

3. Segment Information

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

Fiscal year ended March 31, 2015

(Millions of yen)

	Reportable segments				Other	Total
	Postal and domestic logistics	International logistics	Post office	Total		
Income ^(Note)						
Income from third parties	1,838,663	-	1,102,308	2,940,971	-	2,940,971
Intersegment income	13,248	-	179,602	192,851	-	192,851
Total	1,851,911	-	1,281,911	3,133,823	-	3,133,823
Segment profit (loss)	(8,182)	-	20,720	12,537	-	12,537

(Note)

“Income” is presented instead of net sales, which is the typical method of presentation for companies in other industries.

Fiscal year ended March 31, 2016

(Millions of yen)

	Reportable segments				Other	Total
	Postal and domestic logistics	International logistics ^(Note2)	Post office	Total		
Income ^(Note1)						
Income from third parties	1,910,791	544,062	1,172,151	3,627,005	-	3,627,005
Intersegment income	14,019	-	180,916	194,936	-	194,936
Total	1,924,810	544,062	1,353,068	3,821,941	-	3,821,941
Segment profit (loss)	7,454	17,231	35,606	60,292	-	60,292

(Notes)

1. “Income” is presented instead of net sales, which is the typical method of presentation for companies in other industries.
2. The figures for “International logistics” have been calculated based on the Australian Accounting Standards, and the amounts presented in segment profit are EBIT of Toll excluding amortization of goodwill, etc.

(2) Reconciliation between total segment profit (loss) of reportable segments and net operating income (loss) on the consolidated statements of income

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
	(Millions of yen)	
Total segment profit (loss) of reportable segments	¥ 12,537	¥ 60,292
Profit of other business	-	-
Eliminations of intersegment transactions	49	102
Corporate expenses ^(Note1)	-	(3,561)
Other adjustments ^(Note2)	-	(24,221)
Net operating income (loss) on the consolidated statements of income	<u>12,586</u>	<u>32,611</u>

(Notes)

1. “Corporate expenses” consists mainly of general and administrative costs which are not attributable to any reportable segments.
2. “Other adjustments” includes amortization of goodwill of ¥(17,110) million, etc. recognized in the international logistics segment and other items.

III Japan Post Bank

Note: Please refer to the documents on financial results announcements of Japan Post Bank for financial results of the company.

IV Japan Post Insurance

Note: Please refer to the documents on financial results announcements of Japan Post Insurance for financial results of the company.